UNIVERSITY OF PRINCE EDWARD ISLAND

FROM MAINE TO CHILOÉ

THE EFFECTS OF SOCIAL ENTERPRISES ON MARGINALIZED EXPERIENCES: A COMPARATIVE STUDY OF PENOBSCOT BAY ISLANDS, MAINE AND CHILOÉ ISLANDS, CHILE.

By

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Abstract

Although the notion of islands contains a strong association or undertone of isolation and closure, islands are never closed environments. None the less, Islands are susceptible to exogenous factors and often exposed to development processes that can lead to inequality and inequity in society and space. Global change and the ongoing progression of globalization and processes of deregulation may deepen regional disparities and thus increase or position areas in a state of marginalization. Furthermore, on islands, while size itself matters in economic terms, topography and geographic location relative to major economic centers can also position them in a state of marginalization.

Over recent decades, some islands have experienced improvements in terms of their infrastructure, transportation and communication systems. Yet they still struggle with certain aspects such as the cost for daily operation of services, and the overall aspects of development and decision making processes that affect their day to day livelihoods. This research revealed a series of day to day challenges that people on remote islands face.

A social enterprise (SE) is a distinctive form of entity that is rapidly gaining recognition from policy makers worldwide. The SEs are seen as unique entities that are changing relationships among those engaged in the market place, civil society and public institutions. They are able to do this through the pursuit of goals that go beyond mere profit acquisition.

This study compares SEs located on islands in the Penobscot Bay, off the coast of Maine on the United States' eastern sea board, and the Islands of Chiloé, off the southwest coast of Chile. This study of SEs offers an opportunity to understand people's experiences with SEs and whether, how, and under what circumstances SEs affect the lives of those experiencing marginalization. Furthermore, it explores the effect on the level of inclusion of individuals within island society and their communities and how SEs aid their members in improving their quality of life.

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I would like to express my gratitude to my beautiful family and also friends, many of whom I met during my work. Because there is no memory of success that is not also a memory of struggle, I would like to thank you all for helping me achieve this important work.

Dedication

To those who live around scattered archipelagic areas, from whom this research interest was born.

THE SEA

THE SEA! the sea! the open sea!
The blue, the fresh, the ever free!
Without a mark, without a bound,
It runneth the earth's wide regions round;
It plays with the clouds; it mocks the skies;
Or like a cradled creature lies.

I 'm on the sea! I 'm on the sea!
I am where I would ever be;
With the blue above, and the blue below,
And silence wheresoe'er I go;
If a storm should come and awake the deep,
What matter? I shall ride and sleep.

I love, oh, how I love to ride
On the fierce, foaming, bursting tide,
When every mad wave drowns the moon,
Or whistles aloft his tempest tune,
And tells how goeth the world below,
And why the sou'west blasts do blow.

I never was on the dull, tame shore,
But I loved the great sea more and more,
And backwards flew to her billowy breast,
Like a bird that seeketh its mother's nest;
And a mother she was, and is, to me;
For I was born on the open sea!

The waves were white, and red the morn,
In the noisy hour when I was born;
And the whale it whistled, the porpoise rolled,
And the dolphins bared their backs of gold;
And never was heard such an outcry wild
As welcomed to life the ocean-child!

I 've lived since then, in calm and strife,
Full fifty summers, a sailor's life,
With wealth to spend and a power to range,
But never have sought nor sighed for change;
And Death, whenever he comes to me,
Shall come on the wild, unbounded sea!

Bryan Waller Procter

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List of abbreviations

ARC	The Arts and Recreation Center
FIA	Foundation for Agricultural Innovation
FOSIS	Solidarity Funds for Social Investment
ICHCP	Complementary Health Care Program
INDAP	The Institute for Agricultural Development
MISCA	The Monhegan Island Sustainable Community Association
MOFGA	Maine Organic Farmers and Gardeners Association
PRODESAL	Local Development Program
SENCE	The National Service for Training and Employment
SERCOTEC	The Service for Technical Co-operation and National Service
Sernapesca	Fishing and Aquaculture
SEs	Social Enterprises
SIPAM	Ingenious System of World Agricultural Heritage
WCC	Williche Council of Chiefs

Chapter One: Introduction

The Meaning of Social Enterprises

Social enterprise (SE) is a relatively new term that emerged in the 20th century (Laville & Nyssens, 2001). Although various international approaches for the study of SEs developed in different regions, two predominant approaches have gained recognition globally (Defourny, 2001). In Europe, studies of SEs have discussed these organizations in the context of the 'social economy', generally understood to include co-ops, mutual associations and non-profits. SEs are said to represent a new expression of the social economy, having new processes (Defourny, 2001). In the United States, the term 'social economy' is not widely used, but the term 'nonprofit' is often associated with SEs, which are generally understood as being organizations that operate in the commercial sector for the generation of revenue (Young, 2001; Boschee, 2006; Boschee & McClurg, 2003; Kerlin, 2006). SEs "reflect the unique responses to different economic difficulties the regions faced in the past" (Doeringer, 2010). Therefore, they vary from country to country, depending upon their particular contexts. Several hypotheses have been proposed as popular explanations for the emergence of SEs, ranging from "state and market failure" (Teasdale, 2012), to a mere "strategically better option for organizations to fulfill their pro-social mission" (Dees, 2003; Emerson & Twersky, 1996).

A common element in definitions of SEs is a focus on their having “a social purpose” (Cornelius *et al.,* 2008, p. 359; Pearce & Kay, 2003). Others (Dart, 2004) perceive SEs as a kind of “panacea’” or cure for social needs. SEs are also viewed as a "...set of strategic responses to many of the varieties of environmental turbulence and situational challenges that non-profit organizations face today” (Dart, 2004, p. 413). More precisely, “social enterprise is considered synonymous with organizations becoming more market driven, client driven, self-sufficient, commercial, or businesslike…and differs from the traditional understanding of the nonprofit organization in terms of strategy, structure, norms, and values and represents a radical innovation in the nonprofit sector” (Dart, 2004, p. 411). In brief, SEs are organizations that operate in the market place, doing “trade for social or environmental purposes… meeting social and/or environmental goals, they have to be business-like and meet financial and commercial goals” (Spear *et al.*, 2009, p. 248). Although vague, the following concept helps one to understand SEs as “any business organization which takes into account human society or the welfare of the human beings” (Doeringer 2010, p. 292).

Buckland *et al.* (2006) indicate that the government has taken a keen interest in social enterprise as one of a number of important means for restructuring the relationships between government, the private sector and civil society. *The Office of the Third Sector* website has claimed that SEs contribute to a wide range of government agendas, and serve as a “vehicle for public service delivery” (Teasdale, 2012, p. 16). Although there is a concern about the legitimacy of SEs when seen as an extension of the state, Pearce (2005) notes that SEs are

about much more than delivering public services; they are often very good at delivering services, but also engage in many other aspects of economic activity. Third sector initiatives were previously perceived as being of marginal value to the economy. According to Pearce (2005) the significance and the scale of the contributions SEs make to the economy has now been acknowledged, and range from:

> "small, local initiatives such as village halls, local markets, pre-school playgroups run by volunteers but often with some part-time paid work – playing a definite role in local economies, to – at the other end - substantial, highly commercial, competitive and successful businesses" (Pearce, 2005, p. 3).

SEs therefore do engage in many aspects of society that go beyond the provision of pure services. Although SEs lack a universal legal framework, recognition of the sector by governmental entities has increased worldwide. Through their relationships with political institutions, SEs serve as a mediator among governments, the private sector and civil society. This is especially welcome in a global economy where neoliberal models are not always seen as constructive influences on society. SEs have created new ways for community members at the local level, to develop their potentials using their local strengths; they allow new strategies for local development to emerge wherein local partnerships create, according to Sabel & Economic (1996), the capacity to effectively and simultaneously address a combination of economic and social issues. In short, they have the ability to change the relationships among those

engaged in the market place, civil society and government institutions by promoting goals that go beyond profit.

Research Framework and Rationale: Social Enterprise Research Meets Island Studies

For the purpose of this study, the research explores: How do people living in marginalized areas experience SEs? Although there have been several research studies done on Social Enterprises (SEs) in broader regional terms (e.g. EMES Research Network, 1996;[1] Kerlin Ed., 2009[2]), there has been little consideration given to the study of SEs on a "sharply precise physical entity whose geographical definition accentuates notions of location and identity" (Brunhes in Baldacchino, 2004, p.272; Baldacchino; 2004, p. 133), that is to say, an island. The study of islands, known as Island Studies or Nissology,[3] is multi- and inter-disciplinary, dealing with intersecting aspects of economy, society, culture and environment in a circumscribed space. Although there are regional studies of social enterprise that include island jurisdictions, the present research provides the opportunity to focus purely on the study of SEs and their effects on small, sub-jurisdictional islands. In particular, this research presents a

[1]In 1996 the European Research Network (EMES) formed a network for the study of social enterprises in 15 countries of the European Union.
[2]Janelle A. Kerlin, a researcher in the field of domestic and comparative social enterprises, as well as international non-governmental organizations, published a book in 2009 called *Social Enterprises a Global Comparison*, in which she provides a global comparison of social enterprises from Western Europe, East Central Europe, South Asia, The United States, Zimbabwe and Zambia, Argentina, and Japan.
[3]The study of islands on their own terms, coined by Christian Depraetere (1991).

comparative study of selected archipelagic islands of the state of Maine, United States and Chiloé Province, Chile.

Baldacchino (2006, p.10) states that:

> "in deference to the 'openness' of islands, part of the interest in the study of islands in both physical and human science lies in their interaction with and impact on other islands (the beckoning study of archipelagos?) and continents (or vice-versa), as well as the opportunities islands provide for comparison and alternative models of development."

Because "the processes and dynamics that occur habitually on a mainland may be enhanced and exacerbated in an island setting" (Baldacchino, 2004, p. 278), islands offer rich opportunities for comparative study. Islands also, according to Pugh (2013, p. 1) "have received far less attention" in spite of the fact that in total (excluding continents) "islands cover some 7% of the Earth's land surface, and are home to some 10% of the world's population" (Baldacchino, 2007, p. 1; Baldacchino 2008, p. 37).

The treatment of islands as natural laboratories, and the contributions of island-based research to society, has been widely recognized because the study of islands spans so many disciplines. Island studies have contributed to our understanding of global cultures and biological diversity (Depraetere, 2008). In many cases, the contributions expand to other disciplines:

> "Islands have paved the way to the emergence of such disciplines as biogeography and anthropology; they are typical 'hot spots' for biological diversity, ecological conservation and international political tension" (Baldacchino, 2007, p. 1).

The famous 19th century naturalist Alfred Russell Wallace (1823-1913) recognized that when compared with mainlands, islands have a restricted area and definite boundaries (Royle, 2007, p. 48). Islands' relationships with other lands (continents) are often direct, and easy to comprehend regardless of their complexity (Ibid., p. 49). Islands are also "the most common laboratory setting for the very small economy as an ideal-type" (Bertram & Poirine, 2007, p. 329). In this sense, islands offer an excellent opportunity for the study and comparison of SEs.

The most evident similarity between the study sites in Maine and Chiloé is their "islandness" – fundamentally the state of being a small piece of land completely surrounded by water. Others view islandness as a state of mind, in the sense that the "Island is a cultural phenomenon separate and distinct in time and space from its mainland" (Ronström, 2012, p. 3).

Royle (2001, p. 11) manifests that the two factors that make islands special are isolation and boundedness. Cheadle (2009) similarly presents two qualities to indicate "Islandness"; isolation (separateness) and insularity (self-containment). According to Clark (2004, p. 287) "insularity connotes isolation, containment, boundedness, closure, in contrast to exchange, conduction, openness…insularity is not unique to islands but rather a universal feature of human society, one which varies by degree on a continuum which fades over connectedness to unity, unity itself requiring some form of boundedness". Although notions of islands have a strong connotation of isolation and closure, islands are never closed schemes. From this view, "Islands are not islands, in the sense that, although bounded spaces, islands are not closed into themselves" (Baldacchino, 2004, p. 273). On

a globalized planet, more and more islands tend to have more interaction with the outer world.

Royle (2001), however, accentuates certain constraints that are imposed upon small islands based on their insularity. Although small islands pose some advantages, i.e. “exclusivity and or privacy in respect to certain specialized insular economies, such as high-class tourism or religious uses”, in Royle’s words they are “few” (2001, p. 42). According to Bertram & Poirine (2007, p. 329), “the crucial endowment of islands economies in the modern world is their isolation, from which flow scale and scope constraints on their economic structure”. Royle (2001) presents a series of constraints islands face based on their high costs of operation and the distance, social and/or physical, from major markets; sea crossing costs and dangers inherent to moving goods in and out. Island entrepreneurs compete against regional and world producers generating similar goods, under a standard price regulated by a market system which does not assure profitability, unless “there is something special about them” as phrased by Royle (2001, p. 44). The smaller and more isolated the economy, the greater the need to be open to the world market, while also specializing in a narrow set of income generating activities in that market (Bertram & Poirine, 2007, p. 329). According to the authors, these requirements follow from the absence of economies of scale on small islands. “Isolation, together with scale, often distance islands from political powers” (Royle, 2001, p. 43). The political status of islands varies, ranging across the spectrum from independence to complete dependence. There are islands with more political power either because they are of larger size or because they form convenient groups. Small islands tend to be subsumed into the nearest

mainland's jurisdiction. The smaller and more isolated the island the more susceptible it is to the control of an external power, i.e. "the problems of scale, isolation, peripherality, etc., normally handicap small islands in the political arenas as they do in every other aspect of human life" (Royle, 2001, p. 134).

The islands of Maine and Chiloé are susceptible to exogenous factors — unavoidable in the context of globalization. Globalization is a term that in many cases is associated with "freedom, mobility, exchange, technological advances and geographic scope of experiences" (Clark, 2004, p. 288). Clark also states that globalization expands over contextually given time-space boundaries, and involves the constant passing and erosions of borders. Royle (2001) accentuates that globalization's impacts on an island's economy can be extreme. Island size is regarded as limiting or restricting, usually translating into small scale production, generally with a tendency to focus on just a few products. Although islands tend to be perceived as distinct and special places, they nevertheless must focus to compete within a global market where they are, according to Royle (2001, p. 166), at the "mercy of market prices and conditions dominated by larger producers elsewhere". They are also subject to diseases, natural disasters, and weather conditions that can drastically impact the island ecosystem. The island ecosystem I am referring to here is composed of humans and their social habitations, environment, political forms and all that constitutes and encompasses their 'island way of life'. "The tendencies of globalization to level borders and reduce insularity entails the paving of heterogeneity and the expansion of homogeneity, as the rate of extinction of natural species and cultural systems outstrips the rate of speciation and cultural differentiation" (Clark, 2004, p. 289). From this perspective,

globalization's effect on islands tends to be as an exogenous force that is imposing itself upon islands' uniqueness and threatens their identity. Globalization seeks to replicate conformity. Our economic, social and political landscapes are now largely founded on the ideas of a neoliberal, globalized world.

When I introduced my research proposal, many people would inquire about the reason behind comparing small islands of Maine with those of Chiloé. The question was based on concerns about the two archipelagos' particular contexts, being, from their perspective, so different. My response was that the study has value precisely because of such differences, which in many cases are rooted in their distinctive historical processes of political and economic colonization. It is instructive to examine how the phenomenon of social enterprise has evolved and operates in such different contexts.

As noted above, the possibilities of connectivity are important to islands and their people. When looking at the islands of Maine and Chiloé, one can see that some islands are more geographically separate from the mainland than others, and also that there exist no man-made fixed links (i.e. bridges or tunnels) between any of them and the continent. Although in modern times islands may be attached to the mainland by advances in infrastructure, and technology, there remain thousands of islands around the globe that have neither any fixed link nor technological advances in modern transportation. While this paper doesn't discuss what is and what is not an island, for some islanders an island remains an island with or without a fixed link (Thorndike, 2005, p. 8).

The islands of Maine and Chiloé, though distinctive, also have much in common. They share many of the day-to-day challenges that all small islands

face, e.g. high costs of transportation, limited access to services and markets, limited powers relative to state agencies, exposure to international influences that might homogenize their distinctive cultural identities, confined social environments, and the relentless struggle to achieve economic sustainability. These are socio-economic elements that scholars have also referred to as aspects of islandness, not because they are exclusive to islands but because they are commonly found, especially on small islands with relatively small populations. At any point in time, islandness may have a positive or negative impact on the quality of life of individual islanders. For example, separation from mainland society may be viewed either as an exile, or a liberation. Living in a small scale society may by times feel oppressive, or comfortably supportive. The question being addressed in this thesis is whether SEs can mitigate some of the negative aspects of islandness.

SEs, according to Pearce & Kay (2003), contribute to aspects of quality of life that go beyond economic well-being, by changing the typical relationships operating in the market, while making contributions to community well-being, and forming alliances among institutions. They have successfully stimulated innovative local responses to social exclusion and are perceived to be alternative development agents that respond to a broad spectrum of issues (e.g. environmental, economic, social, cultural and/or political). The social enterprise, as a distinct entity dedicated in part to community well-being, and having double- or triple-bottom-line goals, seems to have the potential to help people overcome effects of marginality and the economies of scarcity that often prevail on a small island. This study of SEs therefore offers an opportunity to understand people's

experiences with SEs and whether, how, and under what circumstances SEs actually do improve quality of life of people living on small islands.

This comparative study of the islands of Maine and Chiloé investigates the self-contained differences that an island possesses and which, according to Baldacchino (2007, p. 14) "demand comparison". As stated previously, the research is, at its heart, an exercise in Nissology. It presents, as shown in detail in the Research Methodology, comparisons between islands located in Penobscot Bay,[4] State of Maine, United States (North Haven, Vinalhaven and Monhegan) and islands located in Chiloé Province[5], Chile (Isla Grande, Lemuy Island[6] and Quinchao[7] Island). The research method is a qualitative enquiry, where the narrative serves as the main mode of data collection. The resulting narratives are presented in the form of case studies of groups of people living on small and remote islands, and who are involved with social economy institutions, with special emphasis on SEs. The research touches on marginal groups' experiences and how their lives have been affected by SEs. While the people interviewed have the opportunity to define important concepts in their own terms (social enterprise,

[4]The islands of Maine are classified into three groups: Casco Bay, Down East, and Penobscot Bay. Penobscot Bay is roughly 40 miles long by 30 miles wide, and is dotted with hundreds of small islands, but four major islands attract the bulk of visitor activity.

[5]The name Chiloé is applied to an archipelago of more than 40 islands that constitutes one of the four provinces of the Xth, or Los Lagos Region of southern Chile. The name Chiloé is also often applied to Isla Grande, the second largest island in Chile after Tierra del Fuego, which is the site of Castro, the provincial capital of the Province of Chiloé. Chiloé Province encompasses ten regional municipalities: Castro, Ancud, Chonchi, Curaco, Dalcahue, Puqueldon, Queilén, Quemchi and Quinchao), each one of which has its own elected government

[6]Pulqueldón is a municipality located on Lemuy Island, the third biggest in the archipelago after Isla Grande and Quinchao.

[7]Quinchao and Curacao de Vélez are two municipalities of Chiloé sharing Quinchao Island. Quinchao municipality has under its jurisdiction a group of nine small islands, having a total population of fewer than 1000 people.

marginalization, quality of life), the researcher employs a constructivist approach to integrate their individual stories into narrative cases.

Over recent decades, some islands in Maine and Chiloé have experienced improvements in terms of their infrastructure, transportation and communication systems. Yet they still struggle with certain aspects such as the cost for daily operation of services, and the overall aspects of development and decision making processes that affect their day to day livelihoods. The islands of Chiloé are more isolated in terms of geography; in many cases they lack basic services, which isolates them even more profoundly from the rest of the world. In each case, marginality may be mitigated by relative wealth which facilitates access to education and to modern communications technologies.

Because of the general lack of Information Technologies in Chiloé, an online survey was impossible, and owing to the limited levels of education among research subjects, a relatively informal, face to face conversation was more appropriate than a formal interview. Therefore the methodology employed in the two sites varied in structure, but not in intent. Fundamentally, using a narrative approach for data collection allows people to talk about their own lives, in their own way. It can prove liberating for the participants to feel that their voices and stories are valuable. The present study has therefore provided an opportunity for the islanders of Chiloé and Maine to give voice to their knowledge, and experience a degree of empowerment. The comparative study of SEs of Maine and Chiloé also reveals how local institutions motivated by the promotion of community well-being can have an effect on the level of inclusion of individuals within the larger society and within communities. It is hoped that this investigation, by revealing

how SEs can aid their members to improve their quality of life, will provide insight to policy makers and community leaders who are looking for new forms of participatory economy that can have sustainable and positive impacts on their island communities.

Thesis Outline

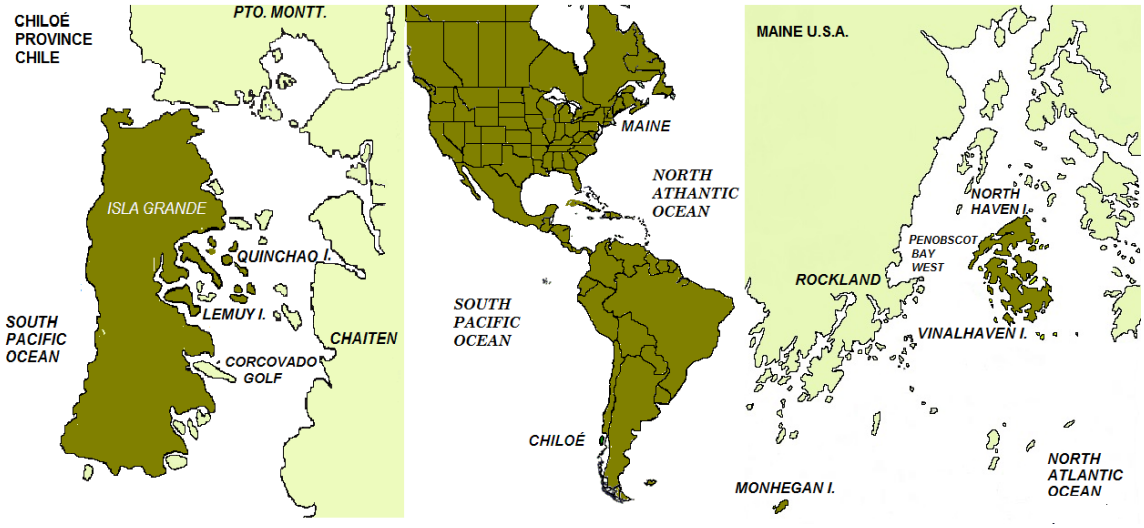
For the purpose of this study, the research question investigates: how do people living in marginalized areas experience SEs? The first chapter provides interesting insights covering SEs. Although there are regional studies including islands, the present research brings the opportunity of concentrating purely on the study of islands' SEs and their effects. The literature review in Chapter Two lays out the general context for the islands selected for comparative study (Penobscot Bay Islands of Maine, United States and the small islands of Chiloé, Chile). The methodology for the narrative approach is presented in Chapter Three. This section also describes the procedures undertaken for the analysis. Chapter Four provides the main conceptualizations of SEs, their evolution and impacts. The last two chapters present and discuss the research results, followed by a conclusion.

Chapter Two: Background and Context of the Islands of Maine and Chiloé

Islands Geography

Contextual backgrounds are necessary because “the nature of marginality found in a specific community or territory of a given spatial scale of analysis will depend on its political, social and economic history, and on its natural and human resource endowment” (Mehretu *et al*., 2000, p. 90).The Penobscot Bay islands of Maine in USA and the small islands of Chiloé Chile are located at opposite poles of the American hemisphere. The islands of Maine, where America really began (Caldwell, 2005), are situated in the northernmost and easternmost points of New England, and the Chilean islands are located at the southern and western side of Chile. The traces of history, economics and politics provide relevant insights for comparison and study, because they are all at once interrelated.

Figure 2.1 Islands of Maine and Chiloé



land on the islands of North America were Vikings from Greenland. “They came in 1000 A.D., before William the Conqueror set invading foot on the shore of England” (Caldwell, 2001). Over the last decades of the sixteenth century and first two decades of the seventeenth, sailors and explorers from Italy, Spain, France, Portugal and England began navigating the shores of North and South America. The first discovery of the islands of Chiloé was in 1553 when Francisco of Ulloa, a Spanish explorer under the commission of Hernan Cortes, navigated the region for the first time.

However, long before early explorations occurred in Maine and Chiloé, indigenous groups lived and worked on these islands. In Maine, though several indigenous groups existed in the region, the Red Paint People were the first “sea-going people” of the islands of Maine. Caldwell (2001, p. 14) describes them as the most fascinating of all Maine’s early people. They flourished on the coast of Maine about 4000 years ago (Caldwell, 2001, p. 14) and some of their remains

have been found on the Fox Islands[8] (See Bourque, 1975; Caldwell, 2001). Although indigenous groups never lived year round on the islands of Maine, they used these sites as encampments to fish throughout the summer. According McLane & McLane (1997, p. 3) “throughout most of this era, seasonal residence on the islands, as well as on the coastal shores and riverbanks, appear to have been the norm.” Warfare and European diseases were the causes for decline and devastation of many indigenous groups. Many Indians that survived warfare and diseases “sided with French and moved away to Canada” (Caldwell, 2001, p. 19). The rest were concentrated in two reservations; at Penobscot and Pleasant Point, Maine (Ibid. 2001, p. 19).

In the history side of the archipelagic islands of Chiloé, the Chonos originally inhabited the island; a nomadic group of great sailors who explored the interior sea of the archipelago. But they were displaced toward the south with the arrival of a sedentary people, the Williches, also known as Hilliches or Veliches (Garrido & Hayward, 2011, p. 154), who also belong to the mainland Mapuche culture. Indigenous lifestyles revolved around the natural resources of land and sea: wood from the ancient forests, agricultural land, livestock, and a variety of fisheries (D’Ambrogi & Novaczek, 2009). Although the Chonos disappeared during the 18th century, the Williche indigenous group persisted, in spite of war and diseases brought by European colonisation.

[8]North Haven was originally the North Island of Vinalhaven, and together they were called The Fox Islands.

Unlike Maine, Chiloé at present has a strong indigenous population,[9] with the Williche constituting the principal indigenous group in the province. Owing to the history of Spanish colonization and domination of the indigenous people, the culture of the island is characterized by the fusion of colonial and indigenous elements. According to Garrido & Hayward (2011, p. 154) “as a result of interbreeding and associated cultural interchange, the island region has, in the main, developed as a mestizo (hybrid) society with distinct, local cultural attributes and practices (including various wooden construction methods, cuisine, folklore, music and dance).”

Vital Statistics: Maine and Chiloé Islands

When looking at Maine and Chiloé, we see a series of fragmented islands, whose economies are built from various sectors. Each presents unique variations associated with differences in colonial conditions and geographic location in relation to major economic centers. For example, in Maine, recent data highlights fishing and tourism as the main industries for the Penobscot Bay island communities. According to the Island Institute[10], these constitute significant sites where people ‘still live and work in traditional and natural resource-based industries (Table 2.1).On the southern islands of Chiloé, most of the active

[9]Chiloé province has 25.8% of the total of 146 indigenous associations in The Los Lagos Region (Consejo Nacional de la Cultura y las Artes, 2012). It should be mentioned, however, that there are more indigenous communities (101 in Chiloé) than associations, which are territorial rather than functional units.
[10]http://www.islandinstitute.org/communities.php.

population is similarly engaged in marine based activities and agriculture (Table 2.1). While tourism is currently considered one of the main sources for revenue among the islands of Maine, the islands of Chiloé are increasingly becoming a major player for small-scale service industries. Both sites present, at first glance, small scale economies where self-employment in small in Microenterprises persists. Table 2.1 and 2.2 provides a brief overview of economic and demographic trends for Maine and Chiloé, and the following sections outline the history of development in each study site.

Table 2.1 Islands of the Penobscot Bay Vitals

MAINE VITALS	NORTH HAVEN	VINALHAVEN	MONHEGAN
FORM OF GOVERNMENT	Independent town	Independent town	Plantation (Under the Land Used Regulatory Commission)
POPULATION	As of the 2010 U.S. Census there are 355 year round people with an estimated summer population of 1000.	As of the 2010 U.S. Census there are 1,165 year round people with a summer population of 2,200.	As of the 2010 U.S. Census there are 69 year round people with a summer population of 250 (plus day trippers).
LAND MASS	213.65 km^2 of which 30.10 km^2 is land and 183.55 km^2 water area.	436.9 km^2 of which 60.76 km^2 is land and 376.14 km^2 water area.	11.65 km^2 of which 2.2 km^2 Land and 9.5 km^2 water area.
ECONOMY	Fishing and service oriented businesses.	Primary resources and service oriented businesses.	Primary resources and service oriented businesses.
DISTANCE FROM MAINLAND	12.5 *miles (20 km)* from the *mainland (To* Rockland city in Knox County, Maine).	15 *miles (24* km*)* from the *mainland (To* Rockland city in Knox County, Maine).	11.9 miles (19 km) to Port Clyde's harbour and about 18 miles (29 km) to Rockland City.

http://maine.gov/mdot/ferry/fares/
http://www.islandinstitute.org/communities.php

Table 2.2 Chiloé vitals

CHILOÉ VITALS	QUINCHAO	CURACO DE VÉLEZ	PUQUELDÓN
FORM OF GOVERNMENT	Municipality (known also as communes).	Municipality near Quinchao.	Municipality (known also as communes).
POPULATION	The total population is 8,286, with 3,063 living in urban centers and 5,223 in rural areas.	The total population is 3,584 all considered a rural population.	The total population is 4, 102, all considered rural population.
LAND MASS	Quinchao municipality shares its territory (Quinchao island) with Curaco of Velez and includes 9 small islands under its jurisdiction comprising all together 160. 8 km^2 (62.0 sq mi).	Total area of 80 km^2 (30.9 sq mi) comprising 59% of the Quinchao Island land mass.	Total area of Puqueldón municipality on Lemuy Island is 97.3 km^2 (37.6 sq mi).
ECONOMY	Agriculture, Marine Resource, Service Sector, and Tourism.	Aquaculture, Manufacturing.	Agriculture, Cattle Ranching; Fish Farming, household stores groceries outlets and other.
DISTANCE FROM MAINLAND	Located about 180 km to the mainland capital of Puerto Mont, and 37 km from the provincial capital of Castro.	Located about 170 km to the mainland capital of Puerto Montt and 27 km from the provincial capital of Castro.	Located about 209 km to the mainland capital of Puerto Montt and 36 km from the provincial capital of Castro.

Information obtained from PLADECOS Quinchao, Curaco de Vélez and Puqueldón.

Immigration Trends and Demographics

The islands of Maine present unique characteristics that date back to the early settlements on the islands. McLane & McLane (1997) for example, states that no settlement of great significance occurred in Penobscot Bay until the 1760s (the first permanent English settlement occurred in 1766) after the French and Indian War. Although many left during the American Revolution, residents returned after peace, and were joined by new settlers. According to the Vinalhaven Draft Comprehensive Plan (2004), in 1785 there were at least 75 settlers on Vinalhaven and North Haven and surrounding islands. No major settlement occurred until 1880 with the opening of the granite industry which attracted a transient population from Ireland, Italy, the British Isles and Scandianavia who moved away when the industry disappeared. The greatest settlement on the islands occurred when summer colonists, arrived at the end of the nineteenth century (McLane & McLane, 1997; Thorndike 2005). According to Thorndike (2005, p. 96) “there is no doubt that their arrival changed life on each of the islands, one way or another.” The categories of people who settled on the islands of Maine included “Native, People from Away, and Summer People” (Thorndike, 2005, p. 14). Later other subcategories were coined such as transplants (individual or families from away, including summer people, who have moved onto the island), implants (people from away who have married natives), and replants (natives who left and then came back).

Many islands in Maine have been influenced by summer residents (Table 2.1). “In recent years, a growing segment of migrants have willingly traded-off additional monetary gain at existing locations for access to higher quality social, cultural and environmental amenities elsewhere” (Williams *et al.*, 2008, p. 189). Amenity migration is a phenomenon not driven by a single or simple cause; rather it is explained as a phenomenon based on the ‘psychic income’ (Ibid.) The author refers to the non–economic incentive motive, in the sense that there is a trade-off, or ‘half pay for a view of the bay’. In these references there is not only a perceived interest in the scenic landscape and access to green spaces or wildlife experiences but also, the author states that they generally prefer small communities with greater local amenities. The arrival, of summer communities in North Haven has been prominent dating back to the 1880’s. They arrived, according to McLane & McLane (1997), within two decades of the Civil War, originally from Boston, and later on from New York and Philadelphia. The island of North Haven is also well known for wealthy summer communities from essentially the same places. Monhegan, however, presents a special case. Although it also has a significant summer community, the island is well known for the artist colony that exclusively settled (at least for the summer months) on Monhegan. The colony dates back to the mid-19th century, but were fully established by 1890. Today they constitute an integral part of the island appeal and identity. Summer colonies have also brought major changes to economic and social structures, not exclusively to the Penobscot Bay area, but to the islands of Maine as a whole.

The Penobscot Bay islands have shown an increase in their population of 5.4% since 1990 (Island Institute, 2012). The increase (18% all together) since 1990 has occurred predominantly in the Casco Bay and Penobscot Bay region while the Down East islands present a 22% decrease. In the Penobscot Bay, only Monhegan presents a decrease with a 21.6% loss of its population, while Matinicus, which is also among the Penobscot Bay group, was listed among the islands with an increase even though it's geographically more isolated than Monhegan (Island Institute, 2012). It is interesting to note, conversely, that from 2000 to 2010 Maine islands population have experienced a one percent declined in their total populations (McReynolds, 2014). This is because while there is a population increase, no island comes close to their peak population levels of 1920 and 1960 which correspond to the glorious times of granite industry development.

In terms of population age, most of the islands had median ages older than the state as a whole (although the state of Maine's median age, 42.7 for 2010, remains significantly higher than the U.S. median) (Island Institute, 2012). Communities with higher median age have greater proportion of older residents (McReynolds, 2014), who are not being succeeded by younger generations. According to the Island Indicators 2010-2011 fewer than half the island' residents are under age (42.4% on islands and 49% in the state as a whole), and the number of children, represents only 4.1% of the island population, having dropped from 263 in 1990 to 180 in 2010 (Island Institute, 2012). It should however, be emphasized that because we are talking about such small numbers, any variation in population and age on the islands, creates a greater effect than would be seen in a larger jurisdiction.

When looking at the demographics of Chiloé Archipelago, it's interesting to see some similarities with the Maine Islands. Over the past 20 years, Chiloé province has had an increase in its total population; a pattern that has existed, less dramatically since the census of 1992. Much of the increase in the province's population is based on the attraction of labour for employment by means of external and internal migration. Migration for employment based on incentives that developed with the establishment of fisheries and marine aquaculture back in the 1980s. This continuous increase in population occurred not just in Chiloé but also in neighboring provinces. The islands also faced an internal relocation of population. Ramírez *et al.* (2011), state that an out-migration "trend" is usually linked to rural populations. Chiloé province has the second largest rural population after Llanquihue Province in the Los Lagos Region (INE, 2012). However, many remote rural areas, including the smaller islands of the province, are experiencing a constant decrease in their population due to internal migrations from rural to urban centers.

According to PLADECO Quinchao and information obtained through Census 2002 and 2012, 65.3% of the provincial population is concentrated in the urban centers of Ancud, Castro and Quellón while only 8.2% are in Curaco de Vélez, Puqueldón and Queilén. According to Barret *et al.* (2002) these are marginalized and isolated rural communities. According to Bornschlegl (2011, p. 20) "In a context of poverty, marginality and the *minifundio*[11], migration was one of the few ways to get access to economic capital

[11]small agricultural holding

in terms monetary income". About 23% of the total populations that live in rural Chiloé live in poverty (Ramirez *et al.*, 2009).

According to PLADECO Quinchao (2009-2012) there is a strong line between population and economic activity. Communal demographic development is strongly linked to the economic activities performed on the islands or within the territory, especially in communities where more than 60% of the population is rural, male and employed in extractive or primary activities. Additional to those circumstances, Curaco de Vélez, Puqueldón and Quinchao have the highest percentage of adults of 65 years of age and over in comparison with the region and the National average[12] (Moreno & Milles, 2003). It is also clear from the report that younger populations experience a migration to principal urban centers due to reduction in the perceived market value of traditional activities based on agriculture.

According to information obtained from the Population Census of 2012, the following table shows the movement of people aged 15 and over that work and study in given municipalities,

[12] Curaco, 17.48 %; Puqueldon 16.01 %; Quinchao 13.97 %; the Los Lagos Region 11. 62 %, and Nationally 12. 4 % (Estimaciones de población INE1990-2020).

Table 2.3 Movement - Population aged 15 and older that study and work.

MUNICIPALITY	POPULATION AGED 15 AND OLDER THAT STUDY AND WORK	WITHIN THE MUNICIPALITY	IN OTHER MUNICIPALITY WITHIN THE PROVINCE	IN OTHER PROVINCE WITHIN THE REGION	IN OTHER REGION	IGNORED
QUINCHAO	**2, 503**	**1, 970**	**238**	**41**	**44**	**210**
WORK	1, 921	1566	171	27	32	125
STUDY	582	404	67	14	12	85
CURACO DE VELÉZ	**1, 413**	**929**	**315**	**29**	**22**	**118**
WORK	1,168	790	245	19	20	94
STUDY	245	139	70	10	2	24
PUQUELDON	**1, 408**	**639**	**559**	**42**	**53**	**115**
WORK	1, 142	613	341	32	50	106
STUDY	266	26	218	10	3	9

Many of those who do not work or study in the community relocate to other parts of Chiloé, or, less frequently to other provinces or regions of the country. Migration occurs for work than studies.

It is clear that both in Penobscot Bay and in Chiloé, early settlements (colonial) and early immigrations (economic migration/ amenity migration) has shaped populations that exist today (whether rural or urban, year round or summer), and the category accentuated (Native, People from Away, or Summer People). The have constituted one of the main dynamics of the identity formation and transformation of current economic and social conditions on the islands. It is important to note that the islands of Maine and Chiloé are both facing significant changes in terms of their demographics. In many cases these circumstances are reflected in, related to and influenced by the migratory and/or economic activities developed on the islands. The Islands of Penobscot Bay, overall,

present a minor increase in their population. For the islands of Maine in general, a common demographic characteristic is their increasing median age when compared with the state. A situation not that different is occurring in the Chiloé islands, which have experienced major changes in rural areas because of internal out migration to urban centers.

Economic Transitions: Maine and Chiloé

In Maine there are three important transitions in the history of the economy. Although the timber industry was initially of great economic significance in the Penobscot Bay area, fishing and farming had become the chief occupations before the granite industry was introduced to the area. Farming through most of the nineteenth century "remained dominant…because farming was a more rewarding occupation than fishing for an isolated islander" McLane & McLane (1997, p. 14). In the mid-nineteenth century fishing continued to be paramount thanks to favorable market conditions, although it was considered an exclusive economy, where larger islands and industries based on the mainland were the most favored. Small islands were often less favored owing to the distance to their ports, so they supported seasonal populations. Unfortunately, the fisheries sector suffered a tremendous decline during the time of the civil war in 1861 (main issues were inflation and shortages) and later with the appearance of the Granite industry in 1826, that according to McLane & McLane (1997, p. 16) "triggered a boom

that influenced island life more profoundly than any other single development since the Revolution."

For example in the Penobscot Bay, during the 19th and early 20th centuries, granite mining became an important source of revenue for many islands. The islands were great attractions for skilled labourers and in Vinalhaven, for example, about 90% of the labour force was employed by the granite industry. According to McLane& McLane (1997), at times the company employed more than fifteen hundred quarrymen, inevitably taking many from the fisheries. According to Caldwell (2001, pp. 170-171) "the empty islands were once a hub of labour unions, strikes, politics, money making, brawls, murders, and ghastly accidents…the granite put more money and more jobs and trade into these quiet islands than they've seen before or since." Some of the major impacts were incited in numbers of fishermen and the diversification of skills, with workers becoming, from their view, "more resourceful" (McLane & McLane, 1997, p. 15). While the granite lasted over a century the end of the industry suffered its first hit during the Great Depression and later gradually dissolved when granite was substituted by cement, forcing the closure of many of the granite quarries industries in the area. According to the Vinalhaven Draft Comprehensive Plan (2004), with the advance of structural steel, concrete, and asphalt as the building materials of choice, the Bodwell quarry closed in 1919, and the paving block businesses closed in the 1930's.

The third trend of transition came after the granite industry died, with the shift to reliance on fishing and on summer communities (Table 2.1). Although lobster fishing existed on a small scale in the 1850s, and although it was practiced by a few people during the granite industry, it didn't become a major occupation of Maine until the end of the 19th century. According to Thorndike (2005) lobstering is the primary means of support for most families of the Maine islands. Vinalhaven, for example, is described as having one of the largest lobster fishing fleets in the world, "supporting a healthy fishing economy in which half of our year round residents still have livelihoods connected to the sea" (Vinalhaven Draft Comprehensive Plan, 2004, p. 10). The second most important source of revenue is found in the tourism industry and the related services that emerge from summer communities. In terms of tourism, the patterns among the islands are "varied…and speak to the unique experiences of each island" (McReynolds, 2014, p. 11). The seasonal economy is seen as the second most important, after lobstering. Many of the islands depend on their summer people to provide employment "Construction and Caretaking – along with shop-keeping and other services needed in any self-contained community --have provided work opportunities on some islands that had lost their earlier economic viability from farming, quarrying, ground fishing, boat building, and shipping" (Thorndike, 2005, p. 100). However the extractive economy is seen as "uncertain" (Vinalhaven Draft Comprehensive Plan, 2004, p. 17). The future of tourism and related development, according to the report, is "bright but carries with it a very real threat" not only to their natural resources, but also to various aspects related to their way of life, if there is a strong dependence on 'the seasonal economy'. McReynolds (2014) clearly

states that there already exists a shift on the islands in the local economy to seasonal rental units, and an increased reliance on tourism. McReynolds (2014, p. 12), accentuated that, “the growth in seasonal units has dominated economic and social life on practically every island.” According to the Planning Decisions, Inc. (2009), the islands face a radical restructuring in the fishing industrybased on a decline in the ground fish stocks, the falling of the lobster prices and the rising cost of fuels prices (Analysis of the Recent Economic History Of Maine), a rapid increase in the number and the value of seasonal homes and residents; and a steadily growing similarity between island and mainland sources of employment and earnings, with less dependence on natural resource based enterprises and much employment patterns more similar to the state as a whole. The Island Institute states that the increase in housing units, the increase in commuting, and the increase in lobster landings accelerated consecutively from the 1970s to the 1990s, slowing somewhat in 2000.

Now, when looking at the Chiloé provincial economy, it is interesting to observe that the islands of Chiloé have also experienced a series of economic transitions. However, in Chiloé the principal transition after colonization and the incorporation of the Island into Chile in 1826, occurred after 1973. Chiloé is an archipelago of more than 40 islands located in the South of Chile, far from metropolitan centers (Mace & Bornschlegl, 2010). One of the great benefits of the marginal position has been the “development of a powerful sense of pride and cultural autonomy” (Alexander, 2009, p. 98). According to Hayward (2011) in Chiloé people believe in witches and other magical creatures. The island is heavily populated by mythological figures. The *Pincoya* is a female figure

associated with the sea and marine resources. According to the author, the *Pincoya* has assumed the status of a symbolic guardian of Chilote culture and environment. The region's wooden architecture has received international attention and UNESCO listed its wooden churches as world heritage assets. Other rich cultural assets increasingly acknowledged in Chile are the region's local cuisine, folklore, song and dance. The latter practices were recognized documented and promoted by Chilean folklorists during the 1960s but their exploitation as a tourist asset largely derives from the period following the dissolution of the Pinochet dictatorship in Chile in 1990 (Ibid., p. 92). In 1598 a general Mapuche uprising on the continent forced the evacuation of settlers from the regions of Valdivia and Osorno. According to Alexander the isolation of those who fled to Chiloé resulted in their adoption of local customs and practices. Chloe's distinct identity became evident to the country when, during the war for independence in the nineteenth century, Chiloé mounted sixteen years of resistance to decolonization. Islanders preferred their colonial status because of their preference for being a "half-forgotten province" but autonomous, and with a strongly developed and unique way of life (Alexander, 2009, p. 99). For many years, the Chilote people relied solely on a self-sufficient local economy. According to Weber (1903, p. 132). "The Chilote were historically referred to as uneducated rural labourers including farmers, fishers and seal harvesters which constituted the bulk of the population." The people were mainly rural, with their own particular relationships with their economy, society and environment. Chiloé, for the most part, remained marginal to the mainstream Chilean society. "The archipelago remained a

distant appendage of the new South American republic, never established itself as an important cog in Chile's economic and political machinery" (Alexander, 2009, p. 99).

As referred to by Hayward (2011), Chiloé was long known as one of the poorest and least developed areas of the country. In general, the economy was characterized as "an undeveloped regional backwater for most of the 19th and 20th centuries (Hayward, 2011).

Macé & Bornschlegl (2010, p. 1), stated that prior to the rise of the Salmon industry in Chile, the province depended strongly on foreign trade of raw natural resources, especially lumber and firewood. According to Cavada (1914) up to 1910 in Chiloé there were no importing houses themselves. The ports of destination for the export goods were on the mainland of Chile. Residents used diverse strategies for subsistence based on small scale agriculture, fishing and the harvesting of shellfish, wood and wool and production of wood crafts. Many engage in temporary or permanent emigration to the northern and southern areas of Chile and Argentina. According to Gundermann *et al.* (2009) the agrarian reforms in Chile (1964-1973), and in particular, the so-called counter-reformation of the authoritarian Government (1974-1980), are the main causes for the displacement of people from the South of Chile because they narrowed considerably the possibilities of employment and income of the Mapuche and other farmers in the area. On Isla Grande, similar to the island of Maine, forestry played a key role.

Chiloé's marginal situation would suddenly transform, first by the neoliberal expansion of the Chilean economy by Augusto Pinochet in the 1980s and secondly by

the salmon aquaculture industry. According to Mojica (2010), Chile was the first country in Latin America to experiment with neoliberal policies that consisted of eliminating state intervention in the economy and the unregulated opening of the country to foreign companies. Chiloé's interior sea and regions became the foremost players in these new dynamics.

Daughters (2010, p. 14) expresses that in the wake of the military coup "Chiloé's natural resources, like those of many other regions of the country, were opened up to national and international export companies." In Chile in general "during the greater part of the period of 1940 to 1973, entrepreneurship - as social actor - had no decisive influence in the Government policy making, until after the military intervention of 1973 (Silva, 1995, p. 3).

The impenetrable and closed boundaries of Chiloé began to be eroded by waves of modernization and within only 25 years, Chiloé's economy changed from one mainly based on subsistence agriculture into one led by an export-oriented, highly concentrated, transnational industry – the globalized salmon cluster (Bornschlegl, 2011; Montero, 2004). Commercial Salmon operations expanded rapidly throughout the 1980s, replacing forestry and agriculture to become the most important industry in the province. Although aquaculture production in Chile was developed in different regions, the sector concentrated primarily (in terms of volume and value) in the Los Lagos Region with hosted 84% of the total production (FIP, 2005). Today, the salmon industry is the most important export sector of Chile's economy (Bornschlegl, 2011). By 2005 the industry was the

second largest in the world after Norway. Arenas *et al.* (2001, p. 80) state that tourism and salmon farming (aquaculture) are now the main sources of activity in Chiloé.

Development policies brought on by neoliberal economies, according to Mojica (2010), transformed the Chilean economy with growth. However, the authors stated that such developments failed to integrate 'Chilote activities', nor did they resolve spatial imbalances, or the level of poverty. The impacts on income are often characterized as "increased disparities" (Bornschlegl, 2011). Overall in Chiloé province, six municipalities (including study sites) and 79,000 people were directly affected by the development of aquaculture. The lack of sustainable practices and strong policy interventions allowed a series of environmental, social and cultural impacts. The new development proved to be unsustainable, when in 2007 the virus ISA developed in the interior sea, causing a series of social and environmental problems (See Hucke-Gaete *et al.,* 2008).[13] In that sense, although Chile returned to democracy in 1990, the Chilotes remained at the margins.

According to The Swiss National Centre of Competence in Research (NCCR), institutionally shaped livelihood activities have an impact on livelihood outcomes and the sustainability of resource use. Ramírez *et al.* (2011), note that Chiloé is an area that experiences both: an economic dynamic based on an exogenous development driven by the salmon industry, and endogenous local capacities that are characterized by its traditional activities (subsistence economy) and that are strongly related to their cultural

[13]Some of the most important impacts in Chiloé were also well described in 2007 by Foundation Terram in collaboration with other environmental agencies including Oxfam, and the Chile Environmental Observatory Laboratory (OLACH).

identity. The economic activity of Quinchao Island relies mostly on fishing, fish farms and related activities, followed by activities of small farmers, entrepreneurs and merchants. The situation is similar on Lemuy Island. However, Lemuy does not have any factories, only outlets for household goods and groceries. Manufacturing is small scale, and located on the Isla Grande. Many communities are experiencing an uneven trend from being an economy based on forestry, agriculture and livestock to one dominated by aquaculture.

When compared to Maine, the Chiloe islands present a unique process of economic development, but are similar in terms of the value that the sea represents for the islands' economies. "The archipelago's past takes on new meanings by way of the livelihood changes and practices of the present" (Daughters, 2010). Maine and Chiloé's principal areas of economic activity are found within fishing and tourism. On the other hand, the processes of migration have been instigated under similar but at the same time unique forces, that continue to shaped conditions in both archipelagos. While in Maine the impact of amenity migration (housing values, jobs, and social connection) is crucial, the losses of jobs in the islands are more related to the changes in the fishing industry than to seasonal residents. In Chile, the major impacts of current trends are found in the change from small-scale fishing and farming to wage labour on salmon farms and processing plants. This represents a restructuring process that values and devalues but at the same time devalues local culture and traditional means of livelihood that conflict with modern practices of development.

Island Connectedness

According to Royle (2001, p. 111) “in present day, transport and communications are simply the most important components of island life.” It is also on islands where “people talk about their ferries or air connections in a way and with a continued interest that elsewhere might be reserved for the weather.” In Maine, modes of transport vary in degree; some islands in Maine are closer to the mainland, few are connected with a bridge, and many are physically disconnected from the mainland. On the Penobscot Bay, islands can be accessed via the sea or air (Table 2.4). Islands activities are affected by frequency of trips that changes from summer to winter, in many cases subject to distance and weather conditions. While most islands have various modes of transportation, these are nevertheless limited in frequency and number[14]. The islands of Maine have diversified but modest infrastructure services, including improved communication technologies (electricity, telephone and access to internet). The costs of their services fluctuate, but generally are high when compared to those of the mainland.

While Chiloé province has experience some recent improvements in terms of communications, the situation changes in the most remote areas which continue to be isolated from modern forms of technology, basic infrastructure and transportation systems (Table 2.5). The main form of communication that connects all communities is the central

[14] Penobscot Island Fair offers two daily mail flights, Monday through Friday to North Haven and Vinalhaven The fare is $105 for one person, $60/person for a shared flight of 2 or more passengers and takes about 10 minutes (http://www.penobscotislandair.net/regularflights.php)

highway through Isla Grande Route, and the ferry system that provides services to the smaller islands. The smaller islands tend to have a critical situation in terms of connectivity. Quinchao's needs are high priority because it is the second largest island and connects many of the smaller interior islands to the Isla Grande. Other areas of priority include Lemuy Island.

In Royle (2001, p. 111) "an island in the modern world without a reliable transport system faces severe difficulties." Unlike Maine, many of the smaller islands of Chiloé still lack basic infrastructure services as and as a consequence, limited communication technology exist. Brookfield and Selwyn (Cited in Read, 2002, p. 174) state that "Many small archipelagic states are highly fragmented, so that internal communication may be as difficult and, as costly as external links." While not singular or particular to islands, challenges such as operation costs are of great significance for the economic development of small islands. This is especially true for the small and fragmented spaces of archipelagic islands in an era of a globalization, which continue to lack many technological and economic advantages.

Table 2.4 Islands of the Penobscot Bay: Physical Accessibility

MAINE VITALS	NORTH HAVEN	VINALHAVEN	MONHEGAN
TRANSPORTATION SERVICES	Mainland Ferry Terminal from Rockland; Maine State Ferry Service. Crossing Distance 12.5 miles, with a crossing time of 1 hour 10 min. Other services available include private contractors and tours.	Mainland Ferry Terminal from Rockland; Maine State Ferry Service. Crossing Distance 15 miles, with a crossing time of 1 hour 15 min. Other services available include private contractors and tours.	Private: Monhegan Boat Line Leaving from Port Clyde. With a distance of 11.9 miles. Reservations must be made in advance. Other services available include private contractors and tours. No cars are allowed on the island.
FREQUENCY	Provides 3 trips in the summer and Winter, from 7:30 am to 3. 45 pm. From NH and from 9:30 am to 5:15 pm from Rockland.	Provides 6 trips in the summer, from 7:00 am to 4. 30 pm. Winter the same trips with 4 trips on Sunday.	The boat service provides 3 trips a day from May to Sep. In winter one trip per day from Oct. to May.
FARE	(Adult round trip US $ 17.50/ Child round trip 8.50. Others include normal size Vehicle US $ 49.50).	(Adult round trip US $ 17.50/ Child round trip 8.50. Others include normal size Vehicle US $ 49.50).	(Adult one way US $24/ Round trip 35/Round trip age 2 to 12 US $ 20).

http://maine.gov/mdot/ferry/fares/
http://monheganboat.com/schedule/
http://www.mainehub.com/monhegandaytrip/contact.htm
http://www.equinoxislandtransitllc.com/
http://me.usharbors.com/boat-listing/rockport-charters
http://www.penobscotislandair.net/regularflights.php

Table 2.5 Islands of Chiloé: Physical Accessibility

CHILOÉ VITALS	QUINCHAO	CURACO DE VÉLEZ	PUQUELDÓN
TRANSPORTATION SERVICES	Quinchao is accessed through Dalcahue channel. Bus transportation is necessary to reach any destination. The rest of the islands under the municipality's jurisdiction are only accessible by sea (less frequency, rudimentary transport, and no vehicles are transported, only people or goods).	Quinchao is accessed through Dalcahue channel. Bus transportation is necessary to reach the municipality. Limited service available Sundays.	There is only one ferry that takes about 10 min. Transportation is also necessary to reach any town with in the island.
FREQUENCY	The Dalcahue ferries provide regular service (5-minutes ride from 7 am to 10:30 pm from Monday to Sat.), with llimited service available Sundays.	The Dalcahue ferries provide regular service (5-minutes ride from 7 am to 10:30 pm from Monday to Sat.), with llimited service available Sundays.	The ferries run from 7:30 am to 8:30 pm with limited service available Sundays.
FARE	Fare from Castro is around US $ 3 and from Dalcahue US $1.92 one way /per person. Around US $ 4 for normal size vehicle crossing one way.	Fare from Castro is around US $ 2.24 and from Dalcahue US $ 1.12 cents one way /per person). Around US $ 4 for normal size vehicle crossing one way.	Fare from Chonchi US $1.5 one way/ per person / around US $ 4 for normal size vehicle crossing.

Information obtained from PLADECOS Quinchao, Curaco de Vélez and Puqueldón.
http://municipalidadchonchi.cl/v1/content/view/271/33/
http://www.vialidad.cl/productosyservicios/Paginas/Distancias.aspx

Chapter Three: Methodology and Research Design

The research question posed in this investigation looks at: How do people living in marginalized areas experience Social Enterprises (SEs)? In order to answer this question a comparative research study between islands located in the Penobscot Bay of Maine, United States and the islands located in Chiloé province, Chile was performed (See Appendix A). There is a particular interest in SEs that are located on or help support the islands selected. There is a particular focus on islandness, isolation (separateness) and insularity (self-containment). Knowing that islands offer an excellent opportunity for the study and comparison of SEs, the research is built upon case studies of people living on small and remote islands. Each island has a permanent population sufficient to support basic services. The research touches on marginal groups' experiences and how their lives have been affected by SEs. For the purpose of the study I have a particular interest in looking at areas experiencing social and/or spatial marginalization.

The experiences of people in marginalized situations (social and/or spatial) form the unit of analysis for the present study. This approach considers local knowledge as a valuable contribution. In this sense, this research is based on a qualitative enquiry, where the narratives serve as the main mode of data collection. Riessman (1993) states that while critics of the realist assumptions of positivism challenge narrative studies**,** it is personal narratives "precisely because of their subjectivity-their rootedness in time, place, and personal experiences, in

their perspective-ridden character-that we value them" (Riessman, 1993, p. 4). Narrative is defined as "a spoken or written account of something" (Hawker, 2000, p. 406), and "by studying oral accounts of personal experiences we can examine the teller's representations and explanations of experience" (Cortazzi, 1993, pp. 1-2). Narrative can be seen as opening a window on the mind, or when analyzing narratives of a specific group of tellers, as opening a window on their culture (Cortazzi, 1993). Wiles *et al*. (2005) states that the narrative is both a mode of representation and a mode of reasoning, shaping our perception of ourselves and impacting our lives, culture and society in general. Riessman (2008) argues that as nations and governments construct preferred narratives about history, so do social movements, organizations, scientists, other professionals, ethnic/racial groups, and individuals construct stories of experience.

Wiles *et al.* (2005) suggest narrative analysis to be a useful method for geographers because it focuses on how people talk about and evaluate places, experiences and situations, as well as what they say. They see narrative analysis as a valuable tool for those who are striving to interpret the 'in place' experiences of different individuals and groups, how they understand and attach meaning to situated experiences, and produce the places in which their experiences occur. When doing research on places that are isolated, especially the small islands of Chiloé, a narrative research approach gives people the opportunity to share their experiences. "Embedded in the lives of the ordinary, the marginalized, and the muted, personal narratives respond to the disintegration of master narratives as people make sense of experience, claim identities, and 'get a file' by telling and

writing their stories" (Langellier, 2001, p. 699). In each case, marginality may be mitigated by relative wealth and access to education and modern communication technologies. "Life stories give insights into the experiences and multiple realities of marginalised groups" (Goodley, 1998). But the narratives also provide meaningful insights as to why people want to live and work on small islands and the role of SEs in small communities.This type of methodology is especially important for understanding the lives of those who are living on small islands that have different socio-historical contexts and are geographically insular.

Research Sites: Maine Islands and Chiloé

In the State of Maine, there are a total of 15 island communities, grouped by geographic location[15]. The first group of islands lie along the Casco Bay consisting of five communities. Another grouping is "Downeast", referring the south eastern part of the state of Maine and include four island communities. The third grouping of islands is spread along the Penobscot Bay (Isle au Haut, Islesboro, Matinicus, Monhegan, North Haven and Vinalhaven). The Penobscot Bay islands integrate six communities, from which three were selected for the study based on their easy access and financial capacity: North Haven, Vinalhaven and Monhegan (Figure 4.4). In Chiloé province[16] the islands studied

[15] http://www.islandinstitute.org/penobscot_bay.php
[16]The province is comprised of 10 municipalities, with the majority being in Isla Grande.

were Quinchao[17] (second largest after the great island) and Lemuy Island (the third largest after Quinchao). The majority of the islands in Chiloé province lie along the interior and southern side of the “Great Island”, this being the major island of Isla Grande (Figure 4.3). In Chiloe the Isla Grande was integrated as part of the study. The inclusion of SEs on the Isla Grande came because many of the participants on the other islands in addition to government agencies spoke about these organizations and their impact. Though these SEs operate on the Isla Grande they were all found to exist in rural areas.

According to the Island Institute, in the Maine sites “people still live and work in traditional and natural resource-based industries”. In Chiloé province also especially in the most remote places, people still have a livelihood based on a subsistence economy. All islands selected are small, rural and have a permanent population sufficient to support basic services. These places constitute important sites for the research questions not only because they are islands, but also based on their geographical locations and insularity, which provide ideal conditions to tease out the salience and legitimacy of this line of inquiry.

[17] Quinchao and Curacao de Vélez are two municipalities of Chiloé sharing Quinchao Island. The total area of Quinchao municipality is formed by 10 islands comprising all together 160,8 km^2 (Quinchao, 51,9 km^2, Llingua 4, 4 km^2, Lin-Lin 10,4 km^2, Meulín 13,4 km^2, Quenac 21,5 km^2, Caguach 21,5 km^2, Alao 8,8 km^2, Chaulinec 27,3 km^2)

Participant Selection

Key informants were identified by and contacted through local NGO organizations established in both Maine and Chiloé Island (Island Institute Maine, Chamber of Commerce Vinalhaven, various PRODESALES located in Chiloé, etc.). The criteria for selecting participants were based primarily on location and economic engagement. In Maine, year round and summer communities were considered; these constituted significant parts of the islands' demographics. Participants selected were engaged with an economic entity involved in some type of social development or an entity engaged in overcoming, or helping others to overcome aspects of marginalization. Using these criteria, participants were drawn from various entities, but special attention was given to bodies with social goals that had developed a commercial initiative to cope with financial stresses, and could therefore be described as a 'social enterprise'. While the majority of these groups had come together to meet some social need, they may or may not have a stable commercial role. There was no particular consideration based on gender, marital status, ethnicity, or religion. However such demographic and social characteristics were considered for the analysis. Rather selection was based on a person's location, economic and social engagement. The interviewees were men and women aged 30 years and older, with the majority of them living in rural areas. Unlike Maine, the islands of Chiloé still have a strong indigenous population. Indigenous groups engaged in third sector economies were therefore part of the study. In Maine, a total of twenty-one individual interviews were

performed, drawing from eighteen organizations that included for-profit and non-profit organizations (Figure 4.4). In Chiloé, enterprises were selected from among third sector initiatives. A total of twenty-three interviews were performed with participants engaged in enterprises that ranged from traditional indigenous group organizations, co-operatives and labor associations to territorial and community organizations (Figure 4.3). Interviews also included local authorities in Chiloé since, in contrast to Maine, there exists in Chile little conscious development of a social enterprise sector that is independent of government agencies (See Appendix B).

Two different, but similar approaches were followed in Maine and Chiloé to collect the contextual data, based upon the accessibility of information. Surveys and in-depth semi-structured interviews constituted the mode of data collection for the narratives. In-depth interviews, according to Elliot (2005), allow the respondents to set the agenda and the researcher focuses on listening to, rather than suppressing, their stories. An initial on-line survey targeting managers of SEs was used in Maine to gather general information about the enterprises. Although there is access to internet in Maine, there was a very low response to the survey, and people were more willing and comfortable with participating in an in-depth, semi–structured interview. The approach taken in Chile, due to technological and educational limitations found in the remote areas, followed a more in–the–field approach (face–to–face). Data were collected over a period of five months. Because the islands of Maine and Chiloé experience long cold winters,[18] and in

[18]Maine experiences a humid continental climate, with warm humid but with not a hot summer. Winters are

consideration of busy summer schedules, interviews were held in the winter and fall. This timing was also important for identifying businesses operating year round in both regions.

While all information was considered for interpreting the research results, special attention was paid in building the narratives to draw from those participants engaged in organizations whose focus is based on meeting social and/or environmental goals, which have a business-like structure and meet financial and commercial goals.

Data Analysis

According to Yin (2003), case studies, like experiments, are generalizable to theoretical propositions and not to populations or universes. In this study, cases are not selected to be representative statistically, but instead to develop a theoretical argument. Personal accounts or experiences of people engaged in a social enterprise, living on the islands of Maine and Chiloé, served as sources of evidence concerning people with experiences of marginality and their engagement with SEs. Riessman (2008) states that the analysis of data is only one component of the broader field of narrative enquiry, which is a way of conducting case-centered research (Elliott, 2005; Lieblich *et al*., 1998). The

cold and snowy throughout the state, and are especially severe in the northern parts of Maine. According to the Center of Education and Technology (CET) (2011), in Chile the western area of the island presents a more hostile climate, with high winds and rain from the Pacific Ocean. In contrast, the eastern part of the island remains relatively more protected, with a mild microclimate that attracts most of the inhabitants of Chiloé. In short the, the climate of Chiloé corresponds to a cool and rainy marine climate, which is characterized by the infrequent occurrence of dry seasons and frosts due to the maritime influence.

approaches for interpretation of narratives can be developed in different ways: thematic, structural, dialogic/performance, and visual analysis. Thematic analysis in its simplest form is a categorizing strategy for qualitative data that represents the current approach of interpretation. This type of analysis helps researchers move their analysis from a broad reading of the data towards discovering patterns. Importance will be given to what is said than on how it is said. According to Riessmann (2008, p. 59), thematic analysis, place strong emphasis on the content of a text “rather than how or to whom and for what purpose”. There is a particular interest in the thematic meaning and “point” as framed by Ewick and Silbey (cited in Riessman, 2008). In this sense language is viewed as a resource, not a topic of investigation.

Thematic analysis relies on categorizing accounts or aspects of accounts that are being told. According to Braun and Clarke (2006), a theme captures something important about the data in relation to the research question and represents some level of patterned response or meaning within the data set. The thematic approach is therefore useful for theorizing across a number of cases – finding common thematic elements across research participants and the events they report. In this case, the research asks: How do people living in marginalized areas experience SEs? People’s experiences are built around islandness, as well as those social, cultural, economic and ecological impacts of island life (See Appendix A, B). It is the goal of the present research to look at the positive or negative outcomes of local SEs. While the approach allowed people to define SEs in their own terms, quality of life and marginalization in their own terms. Outcomes

are expected to emerge from these around social, cultural, economic and ecological parameters.

The main goal will be not to generalize to the population but to interpret the meaning and function of stories embedded in interviews as proposed by Ewick and Silbey (in Riessman, 2008, p. 60). While generating thematic categories across individuals was central to the analysis, patterns across cases were also compared and then analyzed between the islands of Maine and Chiloé to build the narrative and final results.

The primary step for the analysis was the transcription. Interviews were transcribed and analyzed individually (Individual interviews were “cleaned up”). To process the interview and sort through the information provided to tease out relevant information. Entire transcripts served as an opportunity to listen, and reflect on participants’ experiences. A qualitative data management program (Nvivo) facilitated the organization and analysis of the data, where information was coded and categorized by themes. Rather than presenting a complete account, brief and bounded narratives were presented; short textual stories. ‘Subsamples’ or segments from the interviews were selected based on the researcher’s familiarity with the case and the richness of the interview. Because the research was undertaken in Maine and Chiloé, and acknowledging that the meaning of a word can change across countries, data transcripts were transcribed and analyzed in their original language (English and Spanish) to maintain authenticity and precise meaning. This approach provided a way of getting close to the data as well as developing some deeper appreciation of the content.

Validity and Consent

There are many challenges facing the narrative inquiry researcher, including the 'crisis of validity' and the 'rights of representation' (Gergen and Gergen, 2003 in Hunter, 2010). Riessman (2001) states that it is impossible for a researcher to be neutral and objective and simply report what people relate, and that narrative research is about dealing with different types of ambiguous representations of talk, text, interaction and interpretation. Analysis follows defined phases: first becoming familiar with the data, then generating codes, searching and reviewing themes then defining and comparing results. Rigor is based upon careful transcription, checking and making sure themes are coherent, consistent and distinctive; and ensuring that data are analyzed rather than being simply described. The validity, meaningfulness and insights of qualitative inquiry have more to do with the richness of information and the thick description in the cases selected, than with sample size (Patton, 1990).

With sensitive topics and given that the process of telling one's narrative can be transformative (Liamputtong and Ezzy, 2005 in Hunter, 2010) or even therapeutic (Stuhlmiller, 2001 in Hunter, 2010), this leaves a heavy burden of responsibility on the shoulders of the researcher to maintain confidentiality and avoid bias. There is also a need for qualitative researchers to be aware of their own power when conducting research to 'help' the other (Fine, 2003, in Hunter, 2010). The process of telling someone's narrative has a moral dimension to it (Liamputtong and Ezzy, 2005, in Hunter, 2010) since the story told usually

involves choices. The researcher must only include participants' information that is related to the researcher's study. Ethical considerations such as anonymity and confidentiality, are not always perfectly attainable since complete anonymity is not always possible on islands with very small population sizes. As observed in Table 2.1 and 2.2, some islands have very small populations, hence the high probabilities of recognition for participants engaged in the study. Nevertheless, data collected was based on participants' experiences of social and spatial marginalization and the social, cultural, economic, ecological impacts of SEs.

Chapter Four: The Contested Conceptualization of Social Enterprises

Defourny (2001, p. 11) clearly explains that Social Enterprises “are more than simply a new development of the non-profit sector or the social economy and that they deserved an analysis that goes beyond these two concepts.” Even though a SE represents a new manifestation for social and economic development, its practice and study has existed for a long time. Nevertheless, there is still a gap between the two major approaches to SEs (i.e. European and American) that inhibits a universal definition for the conceptualization of SEs. Doeringer (2010) accentuated that the lack of a clear definition of SEs represents one of the major obstacles for their study. When considering the typology of SEs, Boschee (2010, p. 3) states that, in the United States, SEs are defined as a “private sector or non-profit business that uses earned revenue strategies to pursue a double or triple bottom line, either alone (as a social sector business) or as a significant part of a mixed revenue stream that includes charitable contributions and public sector subsidies”. In Europe, the EMES Research Network, produced an analysis of contributions of SEs, developed by researchers of each of the fifteen countries of the European Union during a four year period (1996-1999). They defined SEs as "organizations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits" (Defourny & Nyssens, 2006, p. 5). The UK government (Defourny & Nyssens, 2010, p. 12) refers to SEs as “a business with

primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners". In Europe, 'social' presents a collective form, due to collective traditions which are reflected in the common use of the co-operative legal form (Ibid.). In the United States, 'social enterprise' refers more to an external rather than internal dynamic, hence the two approaches can be distinguished by commentators' relative adherence to collectivization and democratic ownership (Teasdale, 2011). This characterization is also supported by Defourny (2001).

It can be observed however, that a common concept in the current definitions of SEs is social value (Peattie & Morley, 2008; Dart, 2004; Teasdale *et al.,* 2012, p. 101; Alter, 2007; Austin *et al.,* 2006) or "creation of value for society" (Pontifical Catholic University of Chile, 2012, p. 42). From this perspective, there is a central focus on benefiting community or the creation of social and economic value simultaneously, and these are not independent of each other. Boschee (2010), in his definition, emphasizes the generation of revenue, in some cases through the formation of "unrelated trade or business" (See Doeringer, 2010), Young (2001) states that "the non-profit sector is rarely completely unconnected to their mission". In this sense, the central characteristic of the previous definitions is the primacy of social aims and the centrality of trading. Additional to the social impact that is intended to be generated by the social enterprise, the Pontifical Catholic University of Chile (2012) states that there is also a permanent search

for economic sustainability, which at the same time allows for the survival of the entity, and as a result, the ability to meet its social mission.

Although many authors state that SEs made their appearance back in the 1960s (Boschee, 2010; Doeringer, 2010; Alter, 2002), it was the 1990s when the concept of SEs achieved policy recognition in many countries (Teasdale, 2012, p. 100; Defourny & Nyssens; 2010). According to Evers & Laville (2004, p. 11) the characteristics of the third sector vary from country to country, and, " approaches they use are shaped by special national and regional traditions, both in the academic sphere and in regard to cultural and political development". Third sector organizations, according to Ridley-Duff & Bull (2011, p. 33), "differ from mainstream business in that they aim to follow a mission that typically serves a community or public good, with activities not constrained or prioritised on the bases of their profit potential."

"Today, almost everywhere in Western Europe, the US and Eastern Europe, the 'third sector' (*French troisiémesecteur or tier sector*) co-exist with the private and public sector" (Moulaert & Ailenei, 2005, p. 2042). The 'third sector' refers to the 'non-profit sector' or the 'Social Economy' (Defourny, 2001). The non-profit or voluntary sector is a dominant concept in the United States. For the new world, the SEs generally correspond to a sector "invented in response to America's distinctive tradition of individualism or hostility to statism, and its long-standing practice of organized action outside the confines of the state" (Salamon & Anheier, 1994, p. 2). They are based on 'non-market' mind set, grounded in philanthropy and giving, and they are externally oriented (Ridley-Duff & Bull,

2011). On the other hand, the term social economy is generally referred to in the European approach. While its recognition didn't take place until the 19th century, Moulaert & Ailenei (2005, p. 2040), state that the history of the social economy in Europe "goes back to the oldest forms of human association". The social economy is linked to periods of socio-economic crisis and responds to the alienation and non-satisfaction of needs by the first (private) and second (public) sectors (Ibid. 2005). The co-operative school accepts a form of *market trading*, grounded in trading activity in a market or with members, and internally oriented (Ridley-Duff & Bull, 2011). Co-op market activities are a means of achieving social development goals that transcend the market *per se* (Moulaert & Ailenei, 2005, p. 2040). Rifking (In Moulaert & Ailenei, 2005) differentiates the Anglo-American charitable model in which third sector initiatives are explicitly referred to the non-profit organisations (associations and foundations, etc.) while the continental European perception for the social economy (third sector) includes co-operatives and mutual support organizations. This reference to the continental perception is made because the voluntary sector and non-statutory sector are concepts mainly used in the UK tradition. The term social economy is of relatively recent currency in the UK and its meaning is still evolving. The difference between American and European organizations is the non-profit, non-distribution constraint on American organizations (Defourny, 2001), wherein non-profits are prohibited from any profit distributions. Such a distinction "lies at the heart of all the literature of NPOs" (Defourny, 2001, p. 6). An early influence in America was the pioneer view of the Johns Hopkins project, which separated co-co-operatives and mutual support

organizations from the non-profits because of their distributive character, even though distribution of profits to co-ops members is generally limited (Evers & Laville, 2004; Defourny, 2001). While they present some similarities (based on their legal/ institutional approach; self-governing characteristics; and the free and voluntary association of members), SEs nevertheless diverge from many non-profits in three aspects: the specification of goals, the control over the organization, and last but not least, the lack of a prohibition on distribution profits.

When looking at the conceptualizations of SEs, Defourny (2001) explains the phenomenon of the social enterprise as entities made up of newly created organizations with new entrepreneurial spirits focused on social aims. However, they also are regarded as a subdivision of the third sector, “a dynamic process…a new (social) enterprise spirit which takes up and refashions older experiences” (Defourny, 2001). In this sense, Ridley-Duff & Bull (2011, p. 31), state that in Defourny’s conceptualization, SEs are embedded within the third sector, at the boundaries between co-operatives and non-profits. In the United States, thinking about social entrepreneurship is conceived as being “between the third and the public sector, and between the public and private sector” (Ridley-Duff & Bull, 2011, p. 31). From this perspective the SEs are generally found at the periphery of the third sector, “rather than embedded in its heart” (Ibid.). Ridley-Duff & Bull (2011) state that in the United States there are many third sector organizations who claiming the term social enterprise. These generally include any type of non-profit engaged in commercial activities as the main strategy for meeting their social mission.

Those conceptualizations coming from the for-profit perspective, which do not include the co-ops and associations, are understood to refer to those SEs that "combine non-profit and business forms" (Kerlin & Gagnaire, 2009, p. 87). They comprise a diverse range of organizational identities and fall into three organizational grouping described by Young (2001): Corporate Philanthropies, Social Purpose, and Hybrids. These are also described by Kerlin (2006, p. 248) as ranging from "profit businesses engaged in socially beneficial activities (corporate philanthropies, or corporate social responsibility) to dual-purpose businesses that mediate profit goals with social objectives (hybrids) to non-profit organizations engaged in mission-supporting commercial activity (social purpose organizations)." But in practice, the for-profit SEs in the USA take the legal form of 501 (c) (3) organizations (Defourny, 2001; Kerlin 2006; Doeringer, 2010) recognized under U.S. law as non-profits. These organizations are permitted to incorporate under state laws and to secure exemptions from deferral income taxes and most state and local taxes. There are about 26 subsections for tax deductions to the non-profit. Nevertheless, all them fall into two groups. One encompasses member serving organizations (business associations, social clubs and labour unions), and the second is defined by section 503 (c) (3) of the tax code. This are characterized as those who engage in serving the needs of the public more broadly, such as for religious, charitable, scientific, literary, or educational purposes. The 503 (c) (3) is regarded as the charitable non-profit sector, and it not only enjoys exemption from federal income taxes, but also has the privilege of receiving charitable gifts on which donors can claim a deduction

on their own income taxes (Salamon and Anheier, 1994) and are different from the "501 (c) (4) social welfare organizations" (Kerlin & Gagnaire, 2009), that unlike the previous, do not allow a tax deduction for contributions from donors; hence, the reason for popularity under the legal structure of for-profit 501 (c) (3). The Social Welfare Organization does, however, have greater advocacy capacity.

When looking for alternative forms for gaining capital investment, the available legal structures include the for-profit corporation, the limited liability company (LLC), or the non-profit (Kerlin & Gagnaire, 2009). "The SEs deal engaged in by non-profits may take on a number of different organizational forms including internal commercial ventures, for-profit and non-profit subsidiaries, and partnerships with business including cause-related marketing" (Kerling, 2006, p. 248). According to Young (2001), SEs deal with their government requirements, financial goals and constraints in a variety of ways. However in the end, the structure may not fully accommodate a social enterprise organization's self-conception, i.e., its organizational identity (Ibid.).

Other organizations claiming to be SEs are those formed as co-operatives and associations. These represent the most common forms of SEs in Continental Europe. In the United Kingdom other forms exist and share common values of solidarity, freedom of membership, democratic management, and decisional transparency (the co-operative or associative motives). Although there exist views that include 'corporate social responsibility'[19] within the scope of the SEs, the

[19]This school of thought, according to Grenier (cited in Nyssens, 2009, p.13), "puts strong emphasis on social entrepreneurship dynamic or the innovative approach of businesses who seek to improve the social impact of their productive activities." This line of thought is found in the non-profit sector, as well as the for-profit sector.

most powerful school of development for the social enterprise emerged from the EMES Research Network, with the idea of forming “a new entity/dynamic in existing third sector organizations” - the ‘ideal type’ (Defourny, 2001). The ‘ideal type’ constitutes a set of criteria, economic and entrepreneurial dimensions, plus social indicators, to help distinguish SEs from other forms of entrepreneurship. Thus, the conceptualization of SEs developed in Europe takes into consideration those entities that fall into the social economy, but that meet the EMES criteria for the ‘ideal type’, i.e., “New entities that set out a process…a new (social) enterprise spirit which takes up and refashions older experiences” (Defourny, 2001, p. 1). Although there exists a distribution of income by some co-operatives “they are created not for maximizing return on investments but for meeting a general or mutual interest” and are “limited by internal and external regulations” (Defourny, 2001, p. 10; Gui in Evers & Laville, 2004, p. 12). Since the ideal type resembles co-ops or associations, “In such SEs, generally of the non-profit or co-operative type, the social impact on the community is not only a consequence or side-effect of the economic activity, but its motivation in itself” (Defourny & Nyssens, 2006, p. 5).

From early experiences of the non-profit sector, it should be highlighted that the American conceptualization does not recognize co-operatives and mutual aid societies as any type of social enterprise. It is emphasized by several authors (Kerlin 2006; Defourny, 2001) that SEs in the United States tend to be more broadly diverse, whereas SEs in Europe were developed to address social

demands in areas where the government lacks the capacity to provide services or withdraws from service provision.

Motive Force behind Social Enterprise Development

Different authors have stated that SEs reflect unique responses to different economic difficulties that a region has faced in the past (Doeringer, 2010; Kerlin, 2006; Defourny, 2001, Evers & Laville, 2004). Although countries have developed distinctive economic and political contexts, they definitely face similar challenges arising from their shared economic paradigms. One of these is how to deal with the problem of unemployment. According to Defourny, (2001, p. 18) "the two main development spheres for SEs were founded towards training and reintegration into employment of persons excluded from the labour market."

In Europe, many states fell into an economic crisis that began with decreased economic growth and increased unemployment. This began at the end of the 1970s and continued into the 1990s (Nyssens, 2009, p. 16). According to Kerlin (2006) budgetary constraints along with issues of effectiveness and the legitimacy in terms of development policies for the long-termed unemployed proved ineffective. According to the author, "Retrenchment of the welfare state followed, characterized by decentralization, privatization and a reduction of services (Ibid., p. 252)." According to Doeringer (2010), 40% of Europe's unemployed fell into the category of "long term unemployment" while in the United States only 12% were under that category. In response to high levels of

unemployment, charities started job-training and work integration programs that had commercial or social-enterprise characteristics (Defourny, 2001; Kerlin 2006; Kerlin & Gagnaire 2009; Doeringer, 2010).

In the United States, non-profits took on social enterprise activities as a way to finance the provision of services already established, and it was seen as a separate activity supporting the social mission of the non-profit organization. Young (2001) for example, presents five trends that explain the pursuits of non-profits that are more directed to the domain of the market place. Young's explanation is that the first trend represents the inclinations of the non-profit organizations to earn revenue from sales of services, and to deliver their public service in response to slowing government support, and reduced contributions from charitable giving. Gunlugu (cited in Bagci, 2007) describes it as "a growing disillusionment with institutionalized welfare pluralism" (3. Social, Political and Economic Bases of NGO Proliferation in the Post-Cold War Era para. 2) of the 1960s and she refers to two phases of development being the driving force for such disillusionment: the first phase triggered a series of economic crises that began in 1973, and the second phase in the 1980s and 1990s, characterized by a trend towards globalization.

In the United States charitable, organizations were engaged in human services, youth development, environmental quality, and employment services (Kerlin, 2006). Boshee (2010) states that the social enterprises at the beginning started running adult day care centers; educational programs for small children, high school dropouts, and adult students; low-cost-housing projects; vocational

training and job placement efforts; home-care services for disabled and elderly; hospice care; outpatient mental health and rehabilitation services; prisons; wind farms; psychiatric and substance-abuse centers; and dozens of other businesses that delivered product and services previously provided by non-profits or government agencies. In Europe, SEs were formed by “civil society actors” (Kelrlin, 2006), social workers, associative militants, representatives of more traditional third sector organizations, sometimes with excluded workers themselves, were the pioneers of social enterprises. They were active in areas of personal services, training integration, and local development. According to Defourny (2001, p. 14), SEs in most countries work in two main spheres, “the training and integration into employment of persons excluded from the labour market and, secondly, the rapidly developing sector of personal services but in several cases SEs combine both fields or go much beyond them”. In this sense Pearce & Kay (2003), for example, states that while SEs are seen simply as an extension of the state, the sector nevertheless can deliver services more effectively and more cheaply than local government has been able to. From the author’s point view, SEs create a mixed economy in various sectors and engage with issues of fair trade, environmental responsibility, decent work and social justice through business.

In relation to aspects of islandness and marginalization, the SEs represent a significant sector that is emerging from small local initiatives to develop highly commercial, competitive and successful businesses, including a broad range of enterprises, organizations and community co-ops. SE’s of the West of Ireland

inspired innovative schemes in the Scottish Highlands and Islands and later in central Scotland. Among the developments were community initiatives engaged in the creation of employment, credit unions, fair trade companies, development trusts, community businesses, and also voluntary and community organizations and charities. According to Pearce & Kay (2003) the income earned is generally from a mix of business and contracts from the public sector. It is “the new mixed economy based on values and principles from other sectors, values and principles which may be characterized as combining self-help with mutuality.” Nyssens (2006) states that, while socio-political goals appear to be less important at the enterprise level, the SEs play crucial roles in a rising awareness regarding marginalization. Furthermore, “socio-political goals are considered in a wider perspective of ‘producing social capital’, as networks are features that facilitate coordination and co-operation (Ibid., p. 316).” According to Hall Peter (2002, p. 22) social capital “turns primarily on the degree to which people associate regularly with one another in settings of relative equality, thus building up relations of trust and mutual reciprocity.” The authors states that social capital “is created through both formal and informal patterns of associability, and reflected by the levels of general trust in others that people express and in their commitment to voluntarily work in the community.”(Ibid., p. 22).

What is a Social Enterprise in Chile?

The emergence of SEs in Chile began during the nineties, becoming a larger movement in subsequent years (Pontifical Catholic University of Chile, 2012). While experiences of social innovation and social entrepreneurship have been limited in Chile, the evolution and importance of traditional third sector organizations in the Chilean economy has been long and of great importance. Social innovation is seen as the creation of value for society through the introduction of a product, service or new process that fulfills social needs in a better way than existing solutions, producing a favourable change in the social system. Social entrepreneurship refers to those processes or opportunities that create value for society through the generation of products, services or new organizations that causes a change or positive impact on the community where they are inserted. On the other side, the traditional sector in Chile refers to the oldest traditional forms of not-for-profits that include indigenous organizations, worker co-operatives, territorial and community organizations, foundations and corporations.

The non-profit organizations originated with the Chilean Independence and the birth of the nation as a State at the beginning of the 19th century. At this point in time, solidarity and charitable organizations emerged with the support of the Catholic Church; meanwhile, the Chilean State concentrated on the matters of consolidation as a State and independent country. The co-op movement, on the other hand, emerged as an imported practice of workers and unions brought by

European migrants, starting in 1887 to 1924. The co-op movement was marked by six stages: the first, as a practice influenced by European settlers; the second by the first legal initiatives, under the law of co-operatives that emerged in 1924. In this period the number of co-operatives grew slowly but steadily. The third stage covered the Eduardo Frei Montalva administration, when co-ops were used as a tool to promote government policy reform. In the fourth stage, between 1970 and 1975, the co-operatives experienced a phase of public indifference and suspicion. While Salvador Allende accused co-ops of being a disguised form of capitalism, the military regime was indifferent to them. The fifth stage (1975-1989) was marked by the crisis and reformation following the military coup. Co-ops were affected by the military regime, which imposed a new political and economic model. The sixth and final stage began with the return to democracy, from 1990 to the present.

Although in Chile it is possible to find some initiatives seeking to adopt new hybrid business models, many SEs, remain today in traditional forms (Pontifical Catholic University of Chile, 2012, p. 79). The first registered and acknowledged 'social enterprise' in Chile was in 2003; it was a Limited Liability Company which distributed its profits to a charitable foundation.

In Chile, SEs may take the form of co-operatives or associations, but they can also acquire the following legal status: Sociedades por Acciones (SpA) [stock companies], Sociedades de Responsabilidad Limitada (SRL) [the limited liability companies] or Sociedades Anonimas [Anonymous companies]. An interesting aspect highlighted by Pontifical Catholic University of Chile (2011) and also

observed in the field work, concerns the relatively basic structural and financial levels of the social enterprise organizations as compared to Chilean NPOs and co-ops. The co-operatives, mutual institutions and associations have a tendency to serve mutual interests; their goals, at least at the time of their founding, are to serve their members in both economic and social terms. The foundations and corporations are more oriented towards serving a broader audience; combating poverty, social exclusion or global warming are just a few of their missions. There also exists a tension between the different financial mechanisms for the different organizational forms. While co-ops and foundations have the capacity to trade in the market, other organizations such as associations, community and indigenous organizations have a weaker economic character, and generally their activities are more locally oriented, “a particular work towards the defense of a certain excluded sector” (ibid.). Generally, their resources come from outside of the realm of market exchange (public tendering or procurement, quasi-market, or voluntarism). In this sense “there is evidence of a ‘trade off’ between the type and orientation of the organization with the traditional mechanisms available to sustain itself economically” (Pontifical Catholic University of Chile, 2012, p. 77). As in the European experience, there is a great number of SEs under the umbrella of the co-ops. However, workers’ co-ops according to Defourny (2001, p. 22) appear closer to the social enterprise than the often larger users’ co-ops. Social enterprise co-ops often combine different types of stakeholders in their membership and are more oriented than classical workers’ co-ops to the benefit of the whole community. As for the non-profits, those which have an orientation for production

and exchange are identified as being closer to the social enterprise sector (Defourny, 2001). Pearce & Kay (2003) cite that not all workers' co-operative are SEs and some to a certain extent are considered part of the first system. This is true if their main aim is the maximization of profits. However, the authors highlight a distinction can be made for Co-ops to be recognized as SEs "if the main purpose is understood more as social, i.e. in the retention of jobs in local communities, or the allocation of (some) profits for community benefit" (Ibid., p. 30). In this sense, those non-profit organizations oriented towards advocacy, as well as the grant-making foundations, are also seen to be further from the social enterprise approach.

Participant's Definitions of Social Enterprises Chiloé

At the national level in Chile, awareness of the social enterprise is underdeveloped, but it is gaining importance. However, in Chiloé, the concept of social enterprise is unknown, and it is clear that there is no accepted definition of the term 'Social Enterprise', as reflected in these comments from participants:

> I believe that a social enterprise is one whose profit margins are rooted in the generation of services and benefits for a group of people who receive those benefits directly or through the work that is being developed [by the social enterprise]. It capitalizes on investing in the people, to improve their quality of life, not in reinvesting resources, but reutilizing them as utilities of the free will [individualistic interest]. (ICHCP)

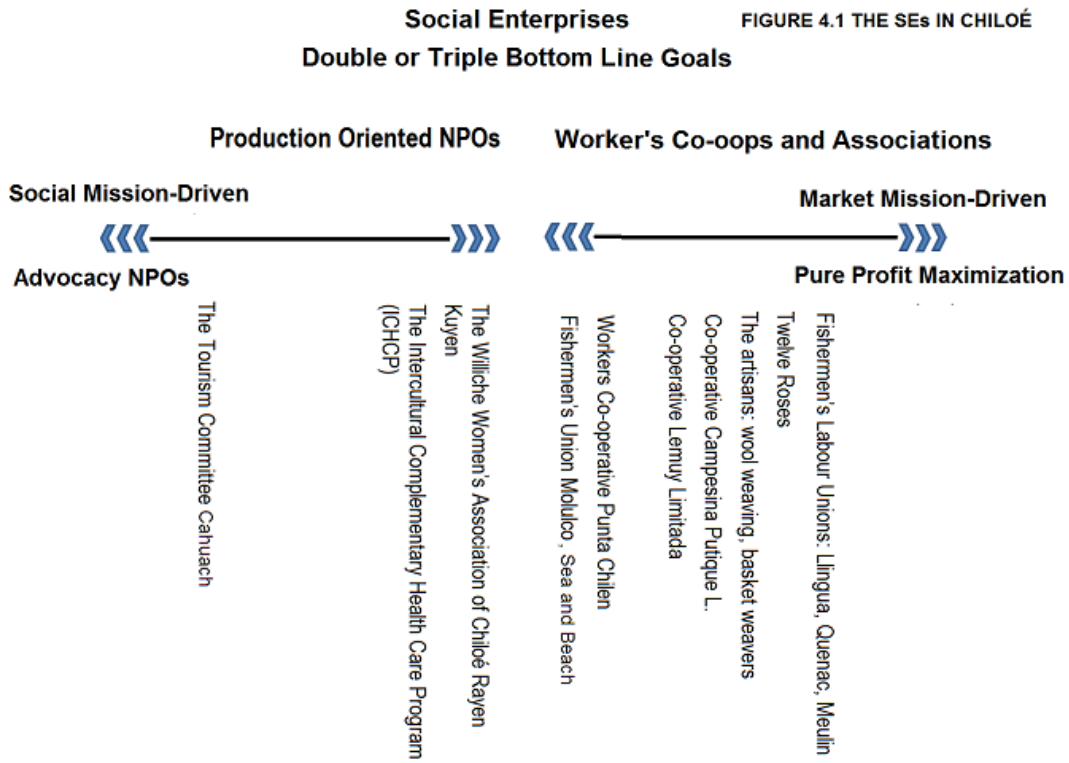
> For me, social enterprise is born from a base in public social support that generates fruitful aims, however it requires community partnership. I mean that a local enterprise could be a family business…that can

> connect with other networks that also engage in the same activity, in the end they make a chain and together they are able to achieve greater success. (Rayen Kuyen)
>
> Those who engage in social activities, which help people. (Fishermen's Union Molulco)
>
> The co-op was itself a SE. It was formed by partners, and it helped us, we were working in partnership. (Co-operative Lemuy Limitada)
>
> It is a grouping of organizations that have the same desire [on the same page] and they support one another, it is like a cooperative. (Artisans Lemuy)
>
> Many heads [many people], many associates. (Co-op Putique L.)
>
> An enterprise for the people. It sounds social to me…it is not a business for the benefit of one person. It should be for a community. (Artisans Llingua)

The majority of the organizational groups studied (Figure 4.1) were formed for purposes of solidarity, self-help, and mutual help and are seen to lie along the continuum between social and market driven organizations. In Chile, SEs are often perceived as 'associative' and are developed with a co-operative approach. However people's definitions of social enterprises are definitely as organization engaging in economic activities, but that incurred fruitful benefits to members or any other group they serve, and that overall improve their quality of life.

Identifying the SEs in Chiloé

Figure 4.1 SEs in Chiloé



In Chiloé, traditional organizations generally demonstrate both economic and social aims. Some of the organizations' goals are related to generating job opportunities for small scale producers; they do not only provide a mode of income generation but also improve purchasing power in the global market. Of the organizations whose members are mostly women who are primarily housewives, the employment option provided may constitute their only source of income. In these Chilote organizations some members seek to develop their organization as a way to improve the management of local ecological resources, to make the resources more sustainable. Some also aim to preserve and maintain cultural practices.

Most of these organizations receive significant financial supports from local and state government institutions such as The Institute for Agricultural Development (INDAP[20]), Foundation for Agricultural Innovation (FIA), Local Development Program (PRODESAL[21]), Solidarity Funds for Social Investment (FOSIS), The National Service for Training and Employment (SENCE), The Service for Technical Co-operation (SERCOTEC), and National Service for Fishing and Aquaculture (Sernapesca) (which is generally for fishermen's training) and their local municipalities. Some of these institutions have categories of organizations that they support, as defined by activities and necessities. Some programs are oriented towards consultancy and others towards financial intervention and in some cases, both. The users may apply to those programs free of charge, or in other cases they have to enter into a process of competition to acquire grants (with no obligation to pay them back), or a loan (with the obligation to repay).

The majority also receive some support from third sector initiatives. For example, the Llingua fishermen's labour union received support, mainly for advocacy and equipment, from the Dalcahue Fisheries Federation. The Lemuy Co-operative was assisted by a foundation which performed an investigation of mismanagement of resources. The Artisans of Apiao received informal support from their municipal Health Center in the form of help to identify training opportunities. Artisans of Achao received assistance from Servicio País, the

[20]According to some participants they received advice from INDAP and FIA to apply for funds through a process that, according to them, is very complicated; more professional support is needed.
[21]PRODESAL generally work with individual agricultural families; the staff are generally assigned to a certain number of farmers in determined localities.

Presidential Social Fund, and the New Zealand Embassy; this was mainly used for training. Twelve Roses received a start-up grant from the office for Promotion and Development of Woman (PRODEMU). The Artisans' group Sleeping Whales received support through the Fundación Artesanías de Chile (Artisans Foundation of Chile), who buy from them and currently constitute (apart from tourism) their major market. Punta Chilén Co-operative received support from the 'Archipelago' co-operative for large scale crop management; other support came from AGROCHILE[22] and Foundation ANDES. Rayen Kuyen got support from Fondo Alquimia[23]. The WCC was initially financed by various institutions: Fundación para la Superación de La Pobreza (The Foundation to overcome Poverty), Ford Foundation, and University of Chile. The ICHCP was, in its early years, also supported by a Canadian Indigenous organization, and currently has a project with the University of Prince Edward Island in Canada. Other support organizations from the third sector are active in Chiloé; these were the ones mentioned by the different groups under study.

In Chile, there exists a strong reliance on state based funding, in part because of a lack of other supportive infrastructure for SEs, and the very limited support from private institutions. Many organizations prefer to engage in

[22]According to the Center of Education and Technology (CET) and PROCASUR Corporation (2012), AGROCHILE was created through FIA, and the main goal of the organization was to create commercialization channels for the Chilote 'silvoagropecuarions' products.Members of AGROCHILE were independent agricultural producers, agricultural producers from Quemchi, Centre Artisanal Pufolil and Cooperativa Punta Chilen itself. It is stated that through AGROCHILE, the organization was not just able to channel resources for commercialization but also to generate inter-communal networks through its independent participants.

[23] http://www.womensfundingnetwork.org/the-network/member/fondo-alquimia

traditional, local forms of trade because of the limited risk, and the fact that this suits the limited capacities of those who constitute the organizations.

Fundamental aspects of any organization include: who constitutes and administers these businesses and under what legal organizational forms? The majority of the organizations were generally homogenous in terms of their organizational structure. In most cases, the majority of current members are those who established the organization. Board members generally serve for a period of one to two years. There are often organizations with few members (due to illness, death or retirement), in which the rotation of directors is less frequent. The identities of founders of these organizations vary according to the type of business. However, they share some common characteristics. The majority are older adults; many are women; and often, the same people are also engaged in local neighbourhood water and electricity committees. Although their participation tends not to be monetary, in some cases, members provide sporadic financial contributions. A few organizations have a clearly defined structure, and those are generally, interestingly, the most successful in terms of achieving their business goals and financial stability. There are also the organizations whose boards of directors are more modern, inclusive and diverse: modern, in the sense that they are opting to achieve their goals by integrating less traditional structures to mimic the private sector; inclusive and diverse, in the sense that they integrate younger people, or people that have just moved to Chiloé who have distinct experiences or ideas, or students who have graduated and need to gain experience.

Overview of Chilean Organizations

The Co-ops of Punta Chilén, Putique and Lemuy

The types of organizations in Chiloé range from traditional Indigenous organizations, co-operatives, and labour associations to territorial and community organizations, and Microenterprises. Punta Chilén Co-operative was established as a workers' cooperative, while Putique Limitada and Lemuy Limitada are "Coperativas Campesinas,"[24] or small farming co-operatives. The co-operative members are smallholders who exemplify the traditional characteristics of Chilote production: bio-diverse agriculture complemented by horticulture, with small-scale livestock, orchards and poultry, where the production is primarily destined for family consumption, with surpluses destined to generate income. The Workers Co-operative Punta Chilén (Co-operativa de Trabajo Punta Chilén) located in rural sector of Ancud, was established in 1997[25] with an initial participation of seventeen members; currently there are fourteen members (half men and half women). The organization was formed by a group of farmers (campesinos) and artisanal fishermen. Co-operative Putique Limitada (Putique Farming Co-operative), formed also in 1997,[26] is located in the sector of rural Putique on Quinchao Island. Putique Limitada is constituted by small scale farmers (with approximately 32 members; 12 male and 20 female.) who generally produce

[24]Small agricultural producers and farmers, as defined in article 13 of law No. 18.910, may only belong to small farming organizations (Cooperativas Campesinas).
[25]http://www.leychile.cl/Navegar?idNorma=77975
[26]http://www.leychile.cl/Navegar?idNorma=76920

potatoes, garlic, carrots, beets, cilantro, and other market vegetables and herbs. The co-op has a small processing plant and although the co-op stopped processing in 2000, they are active and currently are waiting to obtain a sanitation permit and hopefully reactivate their operations. Co-operative Lemuy Limitada formed in 1996,[27] is a farming co-op formed in the municipality of Puqueldón on Lemuy Island. Prior to becoming a co-op, it was formed as a committee for small agriculture.

Co-operative Punta Chilén, in terms of location and organizational structure, is on a much more solid basis than the co-ops found on the islands of Quinchao and Lemuy. This co-op, even when compared with co-ops found in Maine, is very successful. The initial reason to create Co-operative Punta Chilén was the community's need to generate an alternative economic income stream for their families, whether through their orchards or by fishing. One of their social goals is to generate secure employment (they mainly buy the production of members). The co-operative offers members a secure marketing channel, and provides immediate payment. They have a more business-like enterprise structure than the other co-ops. Today, they have developed six different product lines. The co-operative currently has a processing plant of 160 square meters. It presents a modest but well equipped facility, with staff trained in the best practices for processing. Thanks to their dedicated and continuous improvements, they are positioned in local and national markets, and even have an international presence. The co-operative is moving toward organic production, and has also

[27]http://www.leychile.cl/Navegar?idNorma=32513

shown a strong level of engagement with community based initiatives related to indigenous groups, women's health, and education.

The Indigenous Health Centers

The health organizations studied have a social and indigenous character. One is the Intercultural Complementary Health Care Program (ICHCP) implemented by the Williche Council of Chiefs (WCC) in rural areas of Isla Grande.[28] The WCC was originally constituted as a council of traditional leaders, and evolved into a center for the conservation and promotion of Williche culture. The WCC have a history of active and effective participation in political decision-making processes concerning indigenous rights to manage resources for livelihood and cultural survival. Areas in which the WCC advocates include: education, health, forest management, marine resources management, and cultural practices. The WCC offer several programs, but among them the most successful is the health center. The Intercultural Complementary Health Care Program "*Kume Mogen Rüpü"* (a path to balance) according to the participant interviewed, originated in 1995-96 in response to research done by a foreign scientist on the human genome that included genetic research on the antibodies of indigenous people in Chiloé. The WCC participant related that results from studies done in Williche communities were transcending borders. Worldwide

[28] They acquired their legal status through CONADI (National Commission of Indigenous Development). These type of developments are supported through the Indigenous Law 19 253 and Convention 169 (Art 35), adopted a few years ago (See Vazquez & Novaczek, 2010).

concerns about the pirating of genes involved pharmaceutical companies and universities that were patenting human genes generated from the Chiloé studies. A similar case happened with a Japanese mission during the time of the military coup, when researchers did genetic research of antibodies using the Williche DNA. According to the participant, such activities were generating a series of concerns in the community about the possible risk of creating viruses to which Williche people had not developed antibodies. A round table called the Intercultural Chiloé Commission was formed to facilitate discussions among the chiefs involved in the WCC concerning health, medicinal plants, the diversity of organisms, diversity of diseases, and the different conceptions of health and diseases that exist in the world. They also began to speak of how Williche medicine could contribute to the conservation and improvement of the health of the Chilote population. In short, they started a process of dialogue and negotiation to generate a new infrastructure for community and health. In the year 2000, they were able to transform the work table into the ICHCP and have this program installed in the government health service. From their view, it was the beginning of the mainstreaming process for an intercultural dialogue about health and medicine. The organization had started their health education operations in 1996; and by 2003 they were providing direct attention to clients. In 2005 the organization was constituted as a heritage center for the promotion of Williche culture.

The second organization studied is the Williche Women's Association of Chiloé, Rayen Kuyen. This organization started its operations in 2001 and in 2004

it was legally formalized in order to gain funding for projects. Rayen Kuyen is an organization of social and indigenous character. It's an organization formed by women. They are centered on women, as the persons responsible for maintaining indigenous cultural knowledge.

Both of the above indigenous health programs have a similar orientation to integrated health care services for indigenous groups. The majority of Rayen Kuyen members are rural women; they have fewer external professionals and volunteers involved compared to the WCC. Rayen Kuyen, although they have a different organizational structure, follows an approach similar to the WCC, and shares a common goal: the inclusion of cultural dimensions in health practices. Although Rayen Kuyen currently has 60 members, their infrastructure is smaller (in their words "modest") when compared to that of the WCC. While the range of beneficiaries of the WCC programs is broad (Indigenous and non-indigenous, rural and urban), the Rayen Kuyen health program only includes traditional and alternative practices and is generally oriented towards women who are 35 years and up, and also rural. They also participate in educational programs to share their knowledge and experience.

A Distinctive Trade Union; Sea and Beach

According to Cabanellas, G. (as cited in Zanzo Garcia, n. d., p. 2) a trade union is seen as "any voluntary union of people who performed a similar profession or related job, that get together on a permanent basis with the objective

of defending their members' professional interests, or to improve their economic and social interests." The labour unions studied on the small islands of Chiloé are bring together independent workers that do not depend on any single employer. All except The Sea and Beach Union Molulco are located on the small islands of Quinchao municipality. In Chiloé, labour unions or 'sindicato' are generally formed by artisanal fishermen, divers and seaweed harvesters. While fishing and diving is generally performed by men, seaweed gathering is generally but not exclusively performed by women. The level of participation in unions varies; in some labour unions there are more women than men; other are male-dominated. These organizations are generally constituted with the aim of promoting a collective interest, in this case to gain a better price for their products. Although they are established as a union, the workers generally work independently, with few exceptions. The Trade Union of Sea and Beach is for harvesters of the seaweed called *pelillo*. It was founded about 1999 and originally had 40 members. Currently, the organization has 30 active members [but it could vary, it can reach up to 65 members] and the legal structure of the organization is "sindicato de Pescadores y recolectores de orilla" or labour union of fishermen and coastal gatherers. The labour union has a diverse group of members; adult and men, and women and also youth are members of the labour union. From the 30 active members, about 70% are women. Most members are age 18 and up but some youth as young as 15 years are allowed to join the union. To become a member of the labour union, members must have a fishing or seaweed gathering license, have reached eighteen year of age can be attached to a family group and

participate in union meetings once they have been accepted as members. The organization has a board of directors with 5 positions; the president, secretary, treasurer, first and second director. This is common to many types of organizations and co-ops, functional organizations or labour unions. The director is a younger person whose family has been in the organization for generations. It was interesting to see the strong support and respect he enjoys from other members. He was re-elected a second time as director due to his positive inputs.

How does the Sea and Beach Union compare with the other labour unions? While members of the majority of the organizations in Quinchao work in isolation, without making a collective social contribution, The Sea and Beach Trade Union represents a more collective effort. There is a distribution of production among members; and through management or control of extraction and preservation of seaweed, they move collectively and consciously towards more sustainable practices. The organization also has an orientation towards the creation of new employment opportunities for their rural communities. To date, they have been able to acquire a small processing plant (still building it up) to grow their operations; they also rent out their facility at a moderate rate. This is the only organization that has formed a fire brigade for their community. It is active in the neighbourhood association and other related communal associations.

The Women's Organizations: Twelve Roses and the Artisans Group

A common characteristic of these groups is that all are 100% formed by women. Twelve Roses is formed as a committee that operates as a micro-enterprise. Members range in age between 40 and 60, and the organization is formed under the legal structure of "Productive Committee Twelve Roses". The organization is located in Curaco de Vélez, Quinchao Island and it's the only organization legally formed that produces chicken sausage. Its geographical area of sales is the island of Quinchao. The organization has been running for almost 12 years. Originally, the organization was formed by 12 women, but it has only 8 members currently. All of them are founding members of the organization, which is characteristic of most groups. The artisan group from Quinchao (Achao, Llingua and Apiao) and an artisan group from Lemuy Island, were formed around wool and basket weaving activities and traditional artisan practices. Artisans Lemuy was formed about 20 years ago. There are currently about 12 members who constitute the organization. The range of ages goes from 35 to 50 years of age, but there are only 3 young members. The artisans Llingua ("Sleeping Whales") unlike the rest, is well known nationally for production of baskets. Sleeping whales is an artisan organization located on a small island call Llingua, a twenty minute boat ride from Achao (The town capital of Quinchao Municipality). The organization was founded in 1998. Currently there are about 16 members and from them about 14 are the most active members of the organization. The range

of ages of its members goes from 30 to 70 years old. The current president of the organization is the youngest.

Artisans Achao and Apiao, the youngest groups, present two distinct characteristics. Achao artisans, is a group formed by women from rural and urban areas. The organization was formed in 2005 and they have in total 15 members; half of them are active members who produce year round, and half are more passive members, who only produce in the summer or tourist season. These members would work sporadically and don't have products in the artisan shop. The range of ages goes from 22 to 55. While the majority of members concluded up to 12 school grades, a few have higher education (university education or technical).

The Apiao Artisans organization is located on one of the most remote islands of Quinchao Municipality called Apiao about 29 kilometres from Achao (town capital of Quinchao municipality). Apiao is one of the islands most isolated from Achao. This organization was founded in March of 2011, and its membership consists of 15 women with ages ranging from 18 to 55. It was surprising to find that a significant number are single mothers. The legal status of the artisans group is as part of the municipality, which is the entity that formalizes these types of organizations. They fall into the category of 'functional organization' whose main goal is to associate a group of people with a non-profit goal. However, artisans of Achao and other organizations that fall under the category of functional organizations are formed with the main goal of income generation, without initiating other activities such as a formally constituted business, since most of

their sales are sporadic. An additional feature is the strong dedication to maintaining and preserving their traditional practices of weaving and net weaving. Their main goals are to contribute to their households and accomplish personal development.

Participant's Definitions of Social Enterprises in Maine

SE is a concept that is better understood in Maine than in Chile. People on the islands of Maine perceive a clear difference between the traditional business and the non-profit sector. In their understanding, SEs are ventures whose bottom lines are not limited to mere profit maximization. There is a social goal. A social enterprise is understood as a formally organized venture where there are a number of people involved, and where the organization attempts to accomplish something specific to provide either a benefit to the public at large or assistance to communities to sustain themselves economically.

> An enterprise spends money and earns money, and its goal is to earn more than it spends, the amount of the difference is the determination of it's success and that's all there is to it. That is the single bottom line of traditional business. A social enterprise has two balanced goals and you are not to advance one at the expense of the other; the enterprise part is the same as it always was… there is money involved being brought in and being spent; the social part of the SE is how that process affects the people that it touches, do they gain by it?… are they healthier afterwards? Are they happier? Do they know more people? Do they have new skills? Have their opportunities increased? That's the second measure of a social enterprise. (The ARC)

> An SE, it's trying to connect community, it's more than just bringing in the money, it's a teaching tool, it's preparing, you are learning, and

there's something you can take away… but you can take part in something that is larger than yourself. (Go Fish)

What it seems to want to imply is that you have an ongoing activity but a number of people are involved, and it's formally organized and attempts to accomplish something specific or some fringe benefit of that activity provides a benefit to the public at large. (Vinalhaven Land Trust)

…I said, well enterprise is pretty obvious; what's social about it must be community based, it must be an effort to assist communities to sustain themselves. (MISCA)

Kind of be what we are doing, I am not sure what that term means, I think SE would be some sort of enterprise or business that would benefit the very town that it was serving. (North Haven Arts and Enrichment Centre)

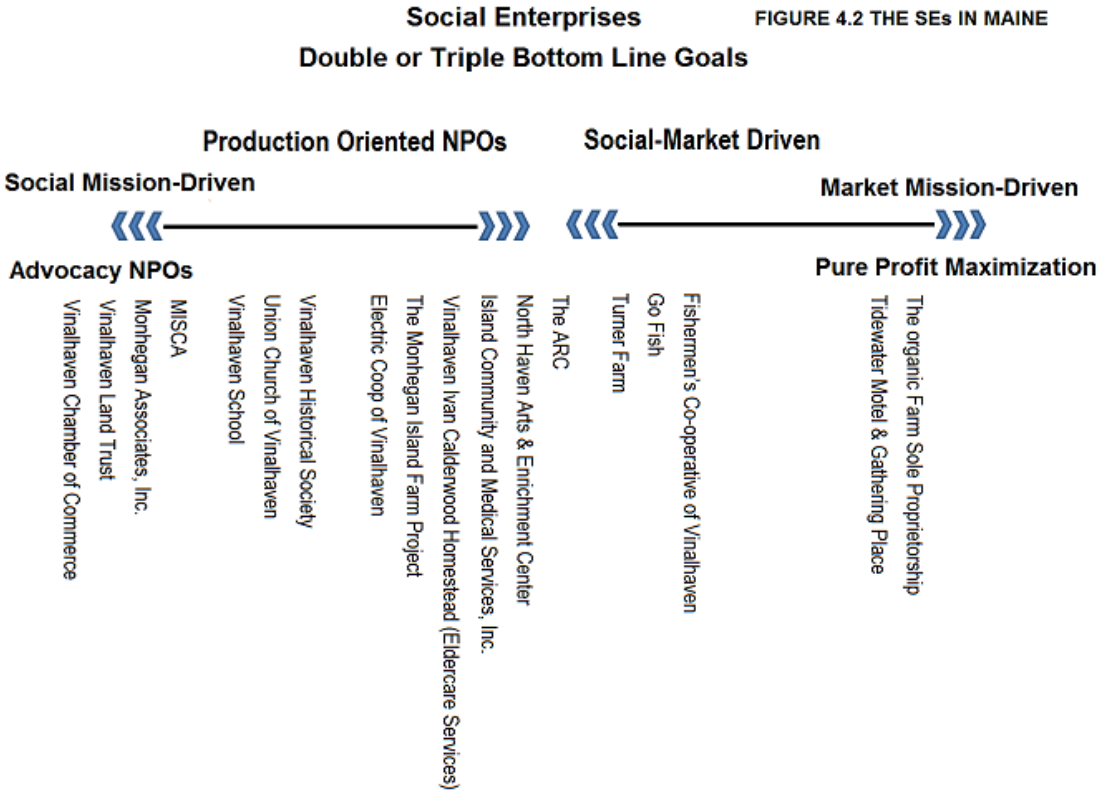
Well I think it's ah, as I said, it's ah, capitalism and the service of others it is capitalism with a philanthropic bent. (Tidewater Motel)

I went to the dictionary, it's not in the dictionary, so my interpretation or what I would associate with social enterprise is helping your community grow, expand, stay healthy. Anyone who, getting back to what I just said, that gives back to the community. (Vinalhaven Chamber of Commerce)

The participants stated that the SEs help create 'community' by enhancing community ties and by helping support a target population, both socially and economically. In this sense, the SEs create two positive economic impacts: helping assist community growth (becoming healthier in an economic sense and better able to sustain themselves), and sustainability. When these definitions are compared to the definitions offered in Chiloé, the conceptualizations in Maine present an more explicit aim for the generation of impacts at the community-level.

Identifying the SEs in Maine

Figure 4.2 SEs in Maine



From a total of 19 Maine organizations included in the research, it was interesting to observe that 12 of them were registered as legal non-profits under section 501(c) (3) of the Internal Revenue Code. The Monhegan Island Farm project was the most recently formed organization and was still operating under the Monhegan Community Church. As observed above, there is a dynamic process in the non-profit sector, in which organizations move towards strategies engaging in commercial activities (using the market based approach), in many cases to achieve their social mission. Examples include the North Haven Arts &

Enrichment Center. ARC, Islands Community Medical Services Inc., Vinalhaven Eldercare Services, Monhegan Island Farm Project and Island Village Childcare. It was also interesting to observe other non-profit organizations creating alternative ways to generate income. These organizations (e.g. the Union Church of Vinalhaven, and the Historical Society) had less participation in the market place. Finally, on the left hand side of the graph (Figure 4.2) the Social Mission-Driven side, there are those organizations that are more social mission oriented and less market driven (Monhegan Associates, Inc.; MISCA; Vinalhaven Land Trust; Vinalhaven Chamber of Commerce; Vinalhaven School). These maintain traditional structures and are not engaging in commercialization. They have a more general advocacy orientation and often rely on member' donations. On the right hand of the line, the for-profit maximization constituency, there are organizations using their for-profit businesses in order to achieve social and environmental goals. Examples of this are Go Fish and Turner Farm, whose primary bottom line is profit maximization, with approaches to social or environmental aims.

A general observation for the SEs in Maine is their heterogeneous structure. They involve volunteers from on and off the island, including external staff and people from the summer community, clients, local organizations, and people of various ages and skills who work together to sustain the business enterprise. There is an important level of involvement from summer residents who participate in these types of efforts. Their engagement ranges from voluntary support to financial donations, coming in some cases from their private

foundations. It was said by one of the participants that there is a tendency on these islands for the organizations to operate both as profitable and as charitable entities. Summer time profits allow organizations to survive and meet their budgets. They shift from profitable to much more charitable activities in winter. While these SEs generate a good percentage of profits through their commercial activities, a significant percentage of total income is generated through donations and a small percentage through grants and rentals of facilities. Other groups, depending on their nature, also receive state support to complete their service missions. In Maine, SEs take pride in their local management and control, even though they receive significant support from mainland third parties.

The Social Enterprises of Maine

SE Organizations for Recreation and Education: ARC and North Haven Arts and Enrichment Center

The Arts and Recreation Center (ARC) on Vinalhaven Island is legally formed under section 501 (c) 3 as a non-profit. This is the only organization that is intentionally constituted (by its members) as a Social Enterprise. The organization has been operating for about 30 years and was initially founded in 1981 as an unstaffed space available for year-round community activities.[29] ARC was originally formed by volunteer efforts and was run more like a traditional not-

[29] http://vharc.org

for-profit organization. In 2008, the organization changed its philosophy and adopted a more sustainable organizational structure. The ARC is a multi-use space. They have a coffee shop, and they sell local food including farm products. According to their website they “act as a food hub, marketing and distributing their farms’ goods to consumers and other island retail establishments.” ARC also partners with other community-based organizations: the Vinalhaven Food Pantry, and the Vinalhaven Public School. The ARC has a heterogeneous structure formed by students, employees, affiliated or associated organizations, and community volunteers, all of whom work together. The number of employees changes seasonally, from about 20 in the highest season of summer to three in the winter. The organization usually generates income from the café storefront (about 40% or 50% of their annual budget) and donations, with a small amount coming from facility rentals and small grants.

The North Haven Arts and Enrichment Center is a non-profit organization.[30] According to the participants, the center is in a central location and it’s the first thing and the last thing you see when you come to or leave the island. The space where North Haven Arts and Enrichment is located used to be a store, which was empty for about 7 years. There was interest in putting in a theater and expanding and improving the space to promote recreational and educational activities so they could keep people engaged all through the year. The facility is now totally renewed. Among the different activities held in the community center are the coffee shop which is also used for art exhibitions; and the theater built adjacent to

[30] Under section (501 (c) (3).

the coffee shop with 134 seats, where they hold various activities (dance productions, plays, concerts, film screenings etc.). The facility also includes a day care space and meeting rooms. It has the largest rooms available for events on North Haven Island and offers a diverse range of programs for preschool children, seniors and performing arts. They are funded through profit from the business operations, and rental space, but also through grants and donations. In total, the organization has existed for about 10 years. The center has a variety of stakeholders. The number of employees varies according to season.

SE Facilities for Health and Eldercare: Island Community and Medical Services, and Ivan Calderwood Eldercare Service

Island Community and Medical Service on Vinalhaven is a federally approved health care center that was established around 1998, as a 501(c) (3) non-profit organization.[31]The health center provides direct patient care, and is oriented towards serving the rural population. Their mission is to provide quality primary and urgent care to patients. The direct beneficiaries are year round and summer people. It operates year round and full time, at a permanent location on Vinalhaven. They receive support from local fundraising events and from different sorts of donations, and are also funded through patients who carry private health insurance. The Medical health center employs staff, including medical providers

[31]The Islands Community Medical Services, Inc. is a 501 (C) 3 and contributions are tax exempt. This health center is a Health Center Program grantee under 42 U.S.C. 254b, and a deemed Public Health Service employee under 42 U.S.C. 233(g)-(n).

and medical support staff. They also integrate dental services and behavioural health services. Given the nature of the organization, volunteers are only allowed to engage with the health center through their board. According to the participant interviewed, they currently have fairly strong and active board members, all of whom are volunteers[32].

Vinalhaven's Ivan Calderwood Homestead Service organization is also a 501(c) (3) non-profit organization. The Homestead has been operating for eleven years. It started in 1996 with the 'ride program' to transport people to and from doctor's appointments, and to get groceries. They expanded their service by putting in medical phones, so people could stay in their homes, but be safe. The homestead also sponsors a meals-on-wheels program[33]. The direct beneficiaries of the organization are the Island's elderly. The facility is financed, both by people who pay privately because of their ability to pay, and by others who are paid for by a federal program (Medicare and Medicaid for low income). Donations and fundraising are also essential for their survival. The organization depends upon salaried employees (17 at the time of the interview), voluntary workers, users, supporting organizations, and local authorities. It is mainly funded internally, but they also have received monetary support from the State Government, among others. Currently, the organization has a bottle redemption fundraising project run

[32] Their board includes retired doctors, one actually living on the island year round and one who visits them often through the year and other local people, including a couple of fishermen. Because of the liability, they can rarely use volunteers in the clinic, depending on the program they have running at the time.
[33] These programs do not use any federal funding and is provided to anybody in need.

by volunteers. Bottles donated by community members are sorted and sold by volunteers, with profits donated to the Homestead.

SE Organizations for Food Security: Monhegan Farm Project on Monhegan

The Monhegan Farm Project is one of the most recently formed SE studied, and the only one established on Monhegan Island. The organization had only been active for two years at the time of the interview and didn't have any formal status. They were established under the auspices of the Monhegan Community Church. The participant stated that the sea is often the primary source of income for many islanders, and their project "hopes to show that the land can also be a valuable source of sustenance for island communities." The long-term goal is "to see this project grow into a money-making venture that will provide employment for island residents." The initiative to create The Mohegan Farm Project came from a local artist and gardener. Her interest in growing vegetables was reinforced by information provided through a Sustainable Island Conference hosted by the Island Institute which encouraged her to start a social enterprise. While there is a modest level of food production on the island, she stated that at one point in the history of Monhegan Island there were about 80 acres under cultivation. Because of housing development on the island there is not much land available for food production, and they have to rely strongly on food produced off the island. However, the project now grows cucumbers, lettuce, peppers, Swiss chard, herbs, salad turnips, mustard greens, tomatoes, green beans, etc. Currently they

only supply products to stores and hotels on the island. The hotels' menus feature vegetables from the island farm. The project was originally financially supported by the church. There are were about six people engaged in it, mostly summer residents, who help by rising money for the church, and running the project.

External support to The Monhegan Farm Project came from the Island Institute[34] and other entities that helped set up the organization. For example, during the fall of 2012 a young expert on permaculture design helped them to integrate permaculture techniques into their farm. The project included testing the island soil. Samples of soil were sent to the University of Maine co-operative extension. Due to the limited space, they devised a strategy to use neighbouring spaces for gardening, especially around summer homes. The project is in its early stages and has been well accepted by the community and local businesses.

Social Responsibility Organizations: Go Fish on Vinalhaven and Turner Farm on North Haven

Go Fish is owned and operated as a sole proprietorship. The owner grew up on Vinalhaven; got her early education on the island and went away after high school. When the participant settled on the island she decided to open an old-time candy counter. The shop has been operating for 13 years selling unique gifts, toys, penny candy, t-shirts, jackets and whimsical but useful household items.

[34]The Island Institute is a non-profit organization focusing on fifteen year-round island communities of the Gulf of Maine. It is located in Rockland mainland Maine. The organizations include a wide range of aspects from economic development, education, marine resources, etc. Its mission is oriented towards the sustainability of Maine's year round islands and coastal communities.

Their main goal is “To provide a shopping environment full of fun with creative flair.” Go Fish employs 8-10 youth from the island during summer and 1-3 during the fall. The owner does not rely on volunteers, other than family members. The organization is entirely financed by its local sales, and is a member of the Chamber of Commerce. While the owner states that the main beneficiaries are the customers, Go Fish also provides support to the communities through a "fun fund" which provides money for school projects that benefit the entire student body. Go Fish donations are becoming more and more frequent and generous. They started in 2011 with a 50% donation of their profits, and the owner states that the “fun fund” program is something that they plan to continue.

The Turner Farm on North Haven Island is known as one of the historical sites of settlement by Native American Red Paint People. According to the participant “Vinalhaven has the granite, North Haven has the soil and farming; that’s one of its major exports. North Haven has been known for good soil and agriculture, has its agriculture history.” The farm, with a long history during the 18th and 19th centuries, stopped its farming in 1900. Remains of the Native American Red Paint people were found by an archaeologist in 1970. In 1976 the farm was listed in the National Register of Historic Places for having the earliest (i.e. 7000 years old) Native American settlement. In 2008, a new owner turned the farm back into farm land. On the island, many people grow food, but not for commercial purposes. Turner Farm is the only large scale farm on the island. At the time of the interview it was reaching its fourth season. Starting with only three greenhouses, they produced a diverse range of certified organic products

(MOFGA certified-organic vegetables, flowers, poultry, and eggs, pasture-raised beef and pork), and they operate a pasture-based goat dairy. The farm also does winter production in greenhouses, but it is minimal. They own a creamery, specializing in chèvre and aged goat cheese. About 95% of the production stays on the island,[35] and a small percentage to goes to Vinalhaven and Rockland. The farm has 5, year round full-time employees and hires several more employees for the summer. They do not have volunteers. Their goal: *"We are a certified organic farm so our goal is to try to feed the island as much is possible."* Turner farm is a private enterprise that is engaged in various philanthropic activities. They do a lot of community outreach through the school, providing summer programs for children and adults.

The Traditional Not For Profits: Vinalhaven Land Trust, Monhegan Associates, Inc., MISCA, the Chamber of Commerce, and the Historical Society

Vinalhaven Land Trust and Monhegan Associates, Inc. are non-profit organizations whose missions involve land conservation. The Monhegan Island Sustainable Community Association (MISCA) is a tax deductible 501-c-3 organization that aims to preserve the year-round culture of Monhegan Island by

[35]The sales points are a barn on the farm and also the farmers' market. Some sales are destined to restaurants and other stores on the island.

purchasing residential property on the Island and making it available to year-round Island residents at below-market prices. Their goals are “to promote the sustainability of the Monhegan Island community by contributing to the development of year-round housing and economic opportunities.” The Vinalhaven Chamber of Commerce has been operating for about 20 years. It is constituted as a non-profit. In total, the organization has 50 members including volunteer staff and one paid position. According to the participant the main goal of the organization is "Preserving island life and promoting economic vitality". The direct beneficiaries are year-round and seasonal island residents, and all visitors. The Vinalhaven Historical Society was founded in 1963. The historical society is one of the largest organizations in the 14, year round island communities. Most of the financial base of this organization comes from membership dues and donations. Other support comes from volunteer labour and occasional sales. For example, the Historical Society makes some branded items (books, cups, and other items) and rents space to other non-profits. The non-profit sector also creates employment. This might be minimal but the majority of the non-profits interviewed hired administrators to run their websites, or to improve or maintain other functions. Similar to the SEs, the majority of these organizations are run by voluntary efforts. In many cases, the non-profit organizations are linked in some way to other sectors in the economy of their respective islands for purposes of coordinating service provision and/or attracting funding to support the operation of other programs.

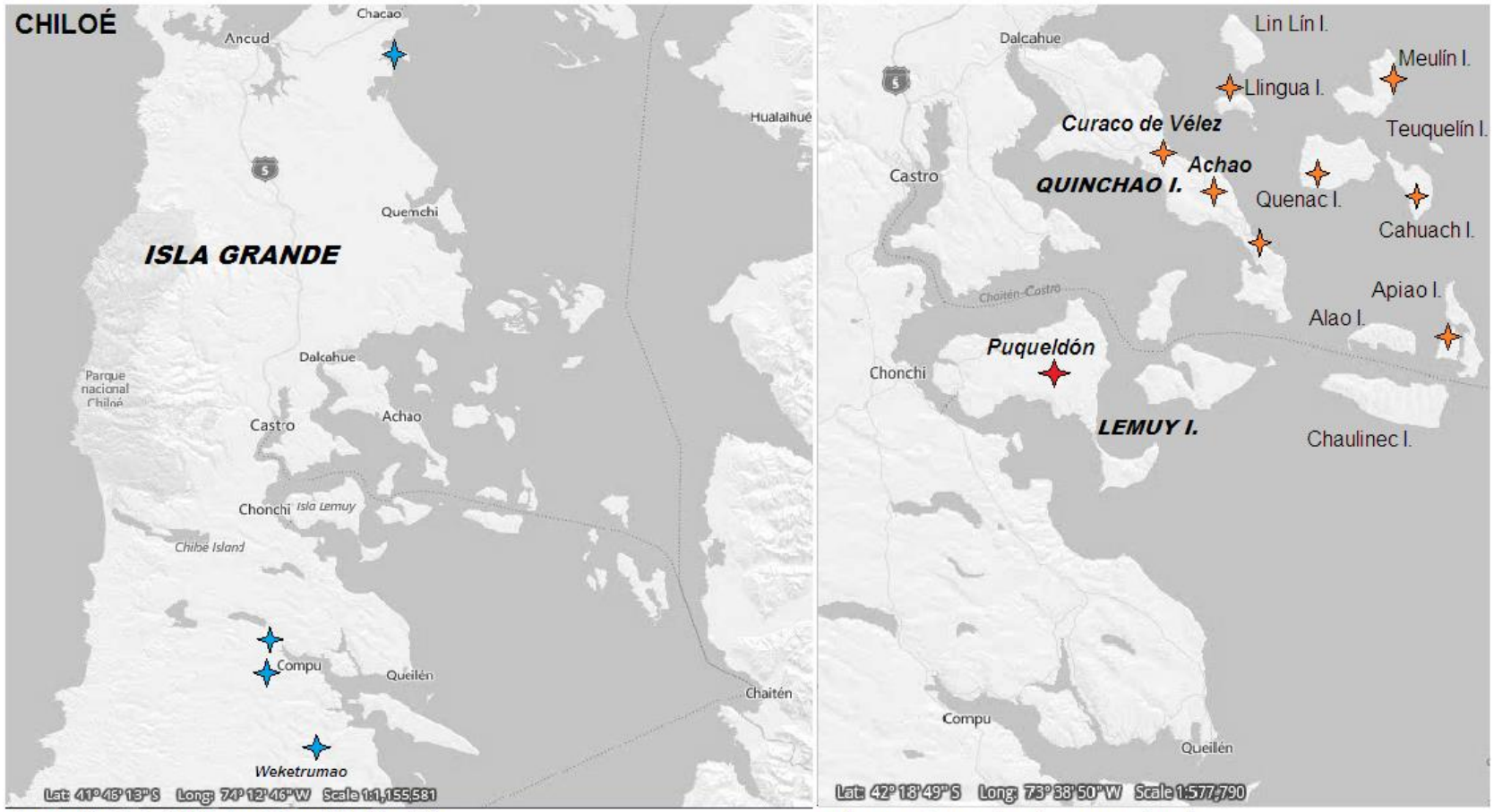
Conclusions

In Maine, most of the SEs identified and studied were formed under non-profit organizational frameworks; however other entities were for-profits with social or environmental aims. Authors generally refer to these types of organizations as socially responsible businesses. Debates exist on whether or not to consider these organizations as SEs, since their main goals are often profit maximization. Nevertheless, according to the academic view of SEs in the USA, they are part of this sector. Other SEs generally identified as SEs by the EMES Research Network are the co-ops. In Maine there were two co-ops, one engaged in utilities (Electric co-op) and the other the fishermen's co-op. It was interesting that participants did not consider co-ops to be a type of social enterprise unless there was a community outreach component.

In Chiloé, most of the initiatives were formed for reasons of solidarity, self-help, and mutual help. In Chile, SEs are often perceived as 'associative' and developed with a co-operative approach, which is in line with early European immigrants' practices. The majority of the organizations in Chile, while pursuing other social goals, are generally focused on job integration, and co-ops' impacts are exclusive to the membership. Therefore few organizations were engaged in reaching goals at a community level. In some cases, the differences between Maine and Chiloé are based on the organizational structure, goals and financial capacity.

This finding supports earlier observations that the social enterprises lack a clear universal definition (Defourny & Nyssens, 2010; Doeringer, 2010; Kerlin, 2009). It sheds light on how definitions are intrinsically related to the regions' particular historic contexts that shape their particular evolution and peoples' understanding of social enterprises. From this view Young & Lecy (2012) present a competing metaphor for defining the universe of social enterprises. The author present an interesting zoo metaphor which "explicitly recognized the distinctiveness of different forms of social enterprises" (Young & Lecy, 2012, p. 22). Furthermore the authors call for a comparative study of these various forms, including how they resemble and differ from one another. The authors stated that the field of social enterprise is large, complex and "is not confined to just one kind of animal but rather is understood as a zoo containing multiple species and subspecies of animals (Young & Lecy, 2012, p. 24)". According to Galera & Borzaga (2009, p. 225) "the lack of a common understanding should not be regarded as a limitation preventing further development." Elson and Hall (2013), clearly highlight the current diversity of social enterprises, and what they define as the 'creative exploitation' phase, which from their view is healthy, since social needs and the available financial resources to which the social enterprise sector responds are changing. Furthermore, the authors make an important claim that "the social enterprises are still somewhat embedded in their local context, more so than in more 'universal' structure and practices (professionalization, legislation)" (Elson and Hall, 2013).

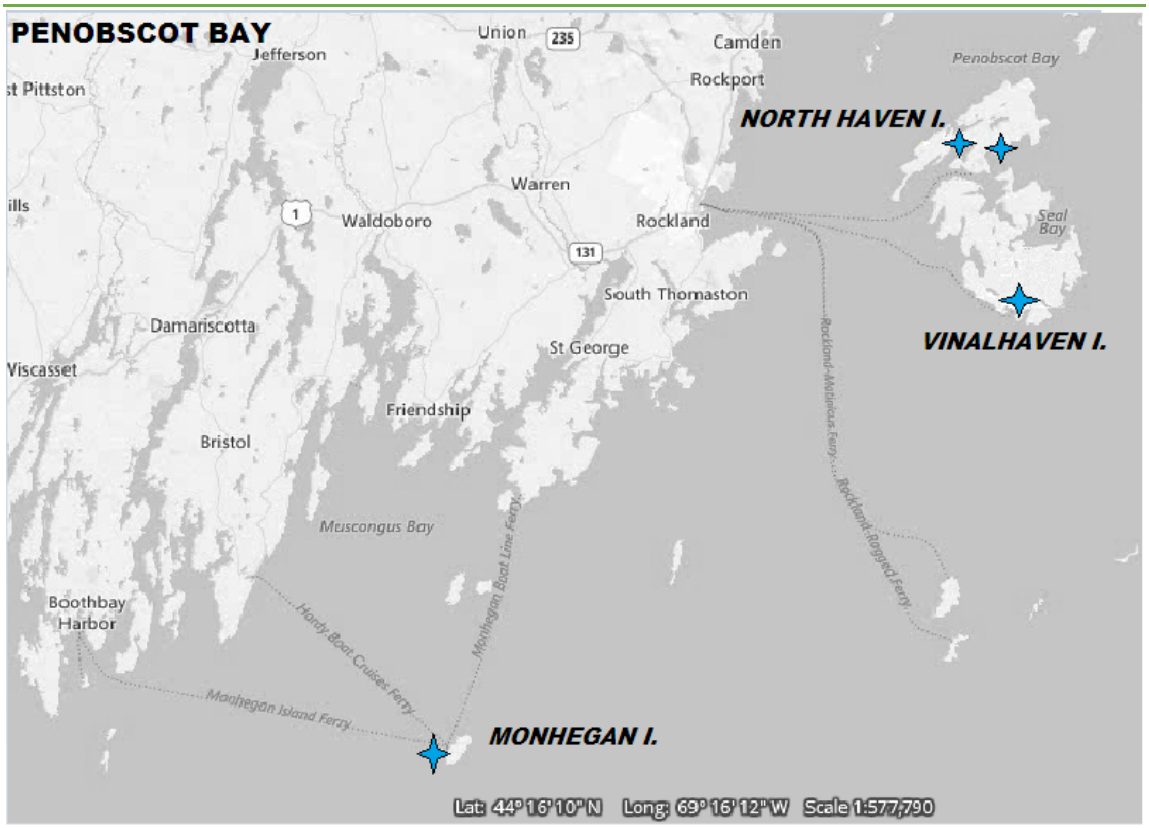
Figure 4.3 Chiloé



Cooperative Punta Chilén (rural Ancud Municipality)
The Intercultural Complementary Health Care Program (ICHCP) (rural Chonchi Municipality)
Fishermen's Labour Union Molulco, Sea and Beach (rural Quellón Munuicipality)
The Williche Women's Association of Chiloé, Rayen Kuyen (Weketrumao, rural Quellón M.)

Twelve Roses (Curaco de Velez M., Quinchao I.)
The artisans Wool weaving & basket weavers: Achao, Llingua and Apiao and a group from Puqueldon on Lemuy I.
Cooperative Campesina Putique L. (Sector Putique, Quinchao Municipality)
Cooperativa Lemuy Limitada (Puqueldon M., Lemuy island)
Fishermen's Labour Union: Llingua, Quenac, Meulin (Quincho Municipality)
The Tourist Committee Cahuach (Quincho Municipality).

Figure 4.4 Maine



Monhegan Island:
The Monhegan Island Farm Project
MISCA and the Monhegan Associates, Inc.
Monhegan Associates, Inc.

North Haven Island:
North Haven Arts and Enrichment Center
Turner Farm

Vinalhaven Island :
The Organic Farm Sole Proprietorship
Tidewater Motel
Go Fish
The ARC
Island Community and Medical Services, Inc.
Ivan Calderwood Homestead
Fox Islands Electric Cooperative
Fishermen Cooperative Vinalhaven
The land trust, the Chamber of Commerce, historical society, Union Church and School

Chapter Five: Marginalization

Root Causes and Variants of Marginality

When looking at marginalization, many types exist (age, gender, race, ethnicity, etc.). “Marginality is a multidimensional and interdisciplinary concept integrating poverty, discrimination, and social exclusion; the degradation of ecosystem functions; and access to services, markets, and technology” (Von Braun & Gatzweiler, 2014, p. 4). According to Cullen & Pretes (2000, p. 215), no clear consensus of marginalization has emerged. Rather, “Interpretations and perceptions of the meaning of marginality and marginal regions differ among social scientists.” Understandings of both the causes and meanings of marginality fall generally into two broad categories. The first, a well-accepted approach to regional analysis, has a more traditional understanding of marginal regions, in which scholars often adopt a center/periphery or core/periphery model. This refers to an economic concept, “in which a region is deemed marginal when it is distant from markets, dependent on primary resources, has a small and sparse population, and is not politically or economically autonomous” (Ibid., p. 217). The second approach, considered to be a newer body of literature, views marginality as a social construct with power being the central determinant of marginalization: “Marginality itself is not the problem, the problem is rather a deeper structure of power relations of which marginality is only a manifestation” (Ibid, p. 226). Marginality “is often based on such characteristics of gender, ethnicity, religion,

sexuality, occupation, or language, may often lead to the spatial marginalization of such groups in enclaves and ghettoes, or to the exclusion of marginal groups from privileged social space" (ibid., p. 217). Jane Jenson (2000) describes that being marginalized means more than having low income. While poor people are often marginalized, marginalization for Jenson (2000, p. 2) also includes "the lack of capacity to participate politically, and culturally, in markets and in other institutions." Gurung & Kollmair (2005, p. 11) view that marginalization is, "a process that emerges and evolves with time in various types and scales under socio-economical and geo-political environment." Marginalization for Gurum & Kollmair (2005) is defined and described by two major conceptual frameworks: societal and spatial, in which the types and scale of marginalization differ. The social dimensions are reflected by the social conditions or the well-being of the individual (Gatzweiler & Baumüller, 2014), and are concerned with a "human dimension such as demography, religion, social structure (e.g., caste, hierarchy, class, ethnicity, gender), economics, and politics in connection with access to resources by individuals and groups" (Gurung & Kollmair, 2005, p. 10). Spatial marginalization is centered on the physical location, which influences the livelihoods of individual or groups not only due to distance, but also the space itself. Marginalization is not particular to isolated geographical settlements but may occur across different human settlements, developed or underdeveloped (Gurung & Kollmair, 2005). Nonetheless, while marginalization in developed regions occurs more in relation to social dimensions, it is common for developing regions to experience both social and spatial marginalization. In this sense,

Sommers *et al.* (1999, p. 7) state that "socio-economic marginality is a condition of socio-spatial structures and process in which components of society and space in a territorial unit are observed to lag behind an expected level of performance in economic, political, and social wellbeing compared with average conditions in the territory as a whole."

On islands, while size itself matters in economic terms, their topography[36] and geographical location relative to major economic centers, can position them in a state of marginalization. According to Briguglio (1995) all islands are by definition insular, but not all islands are situated in remote areas.[37] Nevertheless, remoteness renders the problems of insularity more pronounced. From this view, both remoteness and insularity are generally associated with vulnerability. Vulnerability and marginality are closely related (Gurum & Kollmair, 2005). Marginality victimizes locations and communities that are characterized by one or more factors of vulnerability (Marcuse in Sommers *et al.,* 1999, p. 13). A research study presented by Armstrong and Read (2004) explains clearly three key geographic variables[38] having negative effects for small states' economic performance: geographic isolation from main global markets, climate, and whether a state is landlocked or not. Challenges to insular areas include transportation and communications (Read, 2002; Read, 2004; Briguglio, 1995; Wiggins and Proctor, 2001; Royle, 2001). This can be based on the vulnerability

[36]For example, being a mountain, or a flat and low lying atoll

[37]Briguglio associated problems of transport and communication with how remote and insular the islands are. In relation to transport (for import or export) islands tend to have higher cost per unit of export when compared with other areas.

[38]The total geographical variables included were insularity, tropical climate, being mountainous and being landlocked. Being an archipelago or mountainous does not affect or reduce levels of economic performance.

factor based on the scarcity of natural resources of a place and its poor geographic location (Huri *et al.,* 2004). Adger (cited in Gallopín 2006, p. 294) states that “vulnerability is most often conceptualized as being constituted by components that include exposure to perturbations or external stresses, sensitivity to perturbation, and the capacity to adapt.” Marginal regions are a multi-faceted and dynamic phenomenon (Jussila & Majoral, 1999). Marginality is not a static but highly dynamic concept in that regions may in turn become more or less marginal, depending on the socio-economic and socio-cultural processes at work (Jussila & Majoral, 1999; Gurung & Kollmair, 2005). In Dennis (2005, p. 44) “marginality may in fact produce innovation, creativity, or other positive consequences for individuals and/or society.” The author goes on to explain that marginalization can have the ability to affect a community or an individual in a positive manner. This is because the affected are able to develop flexibility in social roles, and allowing for greater opportunities and innovation. A marginalized group may have disconnected from the mainstream (intentionally or otherwise) and yet that group can develop social cohesion, and create community within the group.

Although remoteness from global markets has negative effects on economic performance, “remote areas with good natural resources may in future become more attractive, as and when investments in transport and the spread of the urban network reduce their remoteness“, and where the main option will be to develop the very remoteness factor as an attraction for tourism (Wiggins and Proctor, 2001, p. 434). The IGU Commission on Dynamics of Marginal and Critical

Regions created during the International Geographical Union's 28th International Geographical Congress in 1996, on The Hague, states that the type and scale of marginality is highly influenced by the changing role of volatile economic, political and social changes as well as technology, and communication. Therefore "regional disparities might persist nationally and at different scales and regardless of geographical remoteness" (Gurum & Kollmair, 2005, p. 13).

The IGU Commission describes marginal regions as those in socio-economic disadvantage, and critical regions as those suffering from the lack of resources or the potential for survival (Jussila & Majoral, 1999, p. 1). Marginality is therefore a sustainability issue because of the ecological consequences of globalization and deregulation policies in marginal and critical regions. Although policy efforts have been undertaken by many countries, their positive effects on disparity seem to be offset by the current processes of globalization and deregulation (Jussila & Majoral, 1999, p. 1). Global change and the ongoing processes of globalization and deregulation lead to regional disparities and thus increase the significance of marginalization (Ibid.). According to Jussila & Majoral (1999, p. 2) "deregulation menaces the equilibrium relations between state, economy and population." In the case of islands, Read (2004) establishes that globalization represents a threat for the continuity and survival of many islands. This is because vulnerabilities are more clearly expressed in contained spaces (Read, 2004; Briguglio, 1995; Briguglio, 2003; Pelling & Uitto, 2001). Islands' identities are at risk (Stratford, 2003) and, furthermore, "a failure to engage with globalization may mean that small island states remain isolated from many of its

positive effects and are stranded precariously on the economic and geographical periphery" (Read, 2004, p. 365). Marginality for Mehretu *et al.* (2000, p. 90) is understood as "a complex condition of disadvantage which individuals and communities experience as a result of vulnerabilities that may arise from unfavourable environmental, cultural, social, political and economic factors." Sommers *et al.* (1999, p. 12) also states that "the nature of marginality that pertains to a specific community or territory will depend on the political and economic structures in which marginality is found." From this view, there are frameworks for development processes, along with competitive and economic forces, which determine the fairness of distribution of wealth.

There is a perceived difference between developed and less developed countries which is based on their engagement with forces of modern, free-market economies, and with hegemonic forces of center-periphery, in the overall allocation of investment (Sommers *et al*., 1999). From this view marginality is derived from "two counterpoised structural conditions within laissez-faire on the one hand, and controlled markets on the other" (Mehretu *et al*., 2000 p. 89). Furthermore, the authors describe a typology of marginality that is based on two primary forms (contingent and systemic) and two derivative forms of marginality (collateral and leveraged). The first primary form (contingent) results from competitive inequalities with respect to development inherent in free market dynamics. These are said to be "self-correcting aberrations" and "self-adjusting" (Mehretu, *et al*. 2000). The second form (systemic marginalization) is the result of hegemonic inequity. From the authors' view, hegemonic markets generally result

in dualistic, discontinuous and polarised development. In this case "marginality is a deliberate construction of an exogenous system which intends to achieve specific desirable outcomes of political control (as in pseudo-radical regime) or economic exploitation (as in the post-colonial state)" (Palmer and Blaut in Sommers *et al*., 1999, p. 13). Those countries with colonial histories experience, from their view, "enclave development", often the result of outside forces rather than the local population's needs. Fayrer and Sacerdote (2007, p. 2) define colonial years (Age of Discovery) as those in which countries like Britain, France, the Netherlands, Germany, Spain, Portugal, Japan, or the US had political control of an island and had officially designated that island to be a colony, territory or protectorate.[39] Interestingly, they argue that while true for some islands, the impact of modern outcomes of colonial regimes vary, depending on the identity and timing of the colonizer.[40] However it was clearly stated that systemic marginality increases vulnerability to marginality in countries that have experienced inequity and oppression under colonial and/or neo-colonial regimes in the less developed world (Friedmann and Blau in Mehretu, 2000).

Though developed regions or countries are less susceptible to contingent marginality, it nevertheless may occur due to competitive inequalities and social marginalization. Developing countries are inherently more susceptible to

[39]The Fayrer and Sacerdote study included a dataset of islands in the Pacific, Atlantic, and Indian Oceans.
[40] They found, for example, that islands with a longer colonial history (and more settlement by Europeans) have higher income per capita and lower infant mortality than other similar islands. They also state that the timing of colonialism (holding colonizer constant) may be related to institutional quality, with the later period representing both better governmental institutions and better intentions on the part of colonizers. While Spanish voyages are generally characterized by commercial and religious overtones, those led by James Cook were characterized as having enlightened (artistic and scientific) attitudes and a more enlightened approach to administering colonies.

competitive inequalities and hegemonic inequality (Gurum & Kollmair, 2005) as well as marginalization. Although location and economic factors are important for developed and less developed regions, social factors are more crucial for communities. According to Sommers *et al. (*1999) among the different social factors,[41] ethnicity and immigration status are highlighted as significantly important.

Capella-Miternique & Font-Garolera (1999) state that parameters such as the role played by economic activities, infrastructure, service provision and demographic structure continue to be of great significance; nevertheless the understanding and state of 'cultural links' are fundamental, where cultural links "are the set of relations and activities arising from the uninterrupted interaction of a certain group of people with 'their' territory or geographical medium." In their view, interactions create an identity "that is reflected in local political and social power and in the mechanisms by which autochthonous interest are defended" (Ibid., p. 90). It was also observed that traditional, vernacular or territorial cultures have 'primitive ecological wisdom'[42] (Jenkins, 2000) and, "systems of values, beliefs, artifacts and artforms which sustain social organization and rationalize action" (Norgaar in Jenkins, 2000, p. 304). There is a perceived dramatic devaluation of traditions that characterizes modernization "through universalization of norms of action, generalization of values, and individual-based patterns of socialization" (Weber in Jenkins, 2000, p. 302). Jenkins (2000), states

[41]This refers to historical backgrounds, ethno-cultural characteristics, minority status, immigration status, age, gender, and education status.

[42] Societies living in a narrow range of ecosystems are assumed to behave more responsibly than the biospheric societies (linked to global technological and trade systems) because of their dependence on such ecosystems for survival.

that in some ways, traditions have become a non-renewable resource and at worst, an impediment to progress. It was referred to by Jussila & Majoral (1999) that uneven development, whether in developed or developing countries, generally occurs in regions experiencing political, cultural and environmental problems; although communities or regions may face political and cultural marginality without experiencing economic distress. It is argued that 'translucent hegemony' is that which prevents people from exercising political rights and/or cultural and economic freedoms (Mehretu *et al.,* 2000, p. 90). However, negative outcomes of cultural and ecosystem degradation can directly affect human wellbeing and quality of life (Jenkins, 2000).

Marginalization Experienced by People of the Islands of Chiloé Chile

In Chiloé, marginalization takes different forms in time and space. There is a perceived and expressed marginalization based on both social and spatial dimensions, and in many cases they overlap.

On the islands of Chiloé the majority of the participants were engaged in agriculture, artisanal fishing activities, and collective craft work. The organizations of social and indigenous character engage in health care practices using medicinal plants and marine resources. While most of the participants engaged in these organizations recount, at first glance, an economic aim to form these organizations, other goals were also inferred. Efforts to form their organizations were based also on a desire to better maintain traditional practices, to access and

manage community based resources, and to develop inclusive and flexible avenues of employment. The most common form of associations of fishermen in the remote communities were unions, and on a higher scale, federations—but generally the latter are located in larger municipalities. These are artisanal fishermen—the independent divers, small boat operators and seaweed gatherers.

The co-ops on the islands are workers' co-ops formed by farmers and artisanal fishermen. The co-operatives exemplify a dedication to traditional livelihood activities, with strong dependence on natural based resources. The development of such organizations is a response to some of the most important impacts of industrial, multinational and intensive systems of production in aquaculture and fisheries.

The artisanal extraction of marine resources is seen by some as having 'no value' because of the limited monetary returns, and because of the physically demanding effort required to extract resources using rudimentary equipment and draught animals. However seeing this activity as a way of practicing of traditional livelihoods motivates strong efforts to keep the organizations alive. Many of these organizations originally existed in an informal or traditional structural form, forged by kinship as a form of co-operation between families and neighbourhoods. To some extent, many of those engaged in traditional livelihood activities correspond to people who are reluctant to engage in industrial aquaculture. It was commonly perceived that on the islands the only industries that generate mass employment are the salmoneras (Salmon aquaculture farms and factories). For many, the

industry's recent development conflicts with Chilote indigenous family values and cultural identity.

One experience of industrial development was explained by a member of Co-op Lemuy. As a young man, he spent about six years working in Northern Chile, in the mining industry in Calama, a city and commune in the Atacama Desert in northern Chile. Migration was described as seasonal. With the inception of the salmon industry workers' migration patterns changed, with many mainland and rural workers migrating to urban centers in Chiloé where fish processing facilities were installed. People from the rural communities who were interviewed expressed that there was no benefit from this industrial development for them or their communities. On the small islands located in the interior sea where adequate climate conditions are conducive for fish farming, limited options of employment exist, especially since the closing of many facilities after a disease outbreak in 2007.

A member of Co-op Lemuy noted that today in the farming sector a great percentage of those who form co-operatives are older people. For example, in the Co-op Lemuy about 60% of members are women, and a majority are older people. They have seen a continuous decrease in the interest of young people in farming activities. The devaluation of farm products induced younger labourers to search for employment in neighbouring towns, often in aquaculture. Another participant from the Chilean Workers' Co-operative stated that attracting young people to the co-operatives and related farming activities represents one of the main challenges for maintaining traditional practices.

Another apparent conflict between these groups and industrial development is the persistent conflict of marine space. Participants would express that there is not enough surveillance to regulate conflict between industrial and artisanal fishing fleets. A participant from the Co-op Lemuy and some members from the labour union stated that for the most part, fishing organizations that have emerged on the island are larger, industrial scale entities. The artisanal fishermen have limited capacity to participate in decision making processes affecting their livelihood activities and communities. Aquaculture development is perceived as a barricade that hinders their communities' way of life. There is perceived social class discrimination, leading to poor development within their communities. Other participants from the labour unions of small islands in Quinchao expressed that the larger industrial fishing vessels constantly affect traditional fishing grounds and employment, due to the way the industries operate.

> We are fighting industrial fishing; we are against industrial fishing because this is not selective fishing. I talk to you about a selective practice because we used spineless hooks, number 7 or number 8 or 6 depending on the products we want to extract, but not so with the industrial fleet, because they work with trawl nets. This is the struggle that we have. We are working right at the limit of our area we have for extraction. Cod resource extends [interior sea] to Quellón and 'Las Guaitecas' [southern of Chiloé]. Therefore, we have the main access [to resources] to the interior sea, and we have an industrial fleet working just outside. Although they say, this is by the state regulatory framework, and that nowadays they have the GPS technology to know where are the fleets. But there is not much surveillance and they are very astute, because they get in. What we are asking for now is 15 nautical miles as an area reserved for the artisanal fishermen, because so far we have 5, but within the 5 to 7 mile zone they are coming and capturing [resources within their mandate jurisdiction]. (Labour Union Llingua)

Furthermore there was a perceived conflict in terms of development for women, who stated that employment generated through the aquaculture industries generally conflicts with the Chilote family structures.

> I think that on the island there exist essential needs, to have a basic income that provides you with the necessary things to exist, those that you cannot produce at home. Here in Chile, you need a working day that is right for your needs. I feel that in Chile, Chiloé, the only companies that provide jobs are the salmon farms. Everything that has to do with the subject of work [means that] you lose family. One of the big limitations I find, that exists at this moment, in reference to the subject of work, is that in order to have a good quality of life, a job (employer) must respect you as a person, as a human being, as a person with a family, with identity, with all your surroundings. Because ultimately, you are going to work in a salmon farm and you have a terrible time, and you arrive [home] when the children have already gone. The cost of development for me is a topic…The wage is very important! But the salary should not make you lose the other, because ultimately all this is related, but here there is not much to hang on to or to look for [meaning that there are many limiting factors]. (Rayen Kuyen)

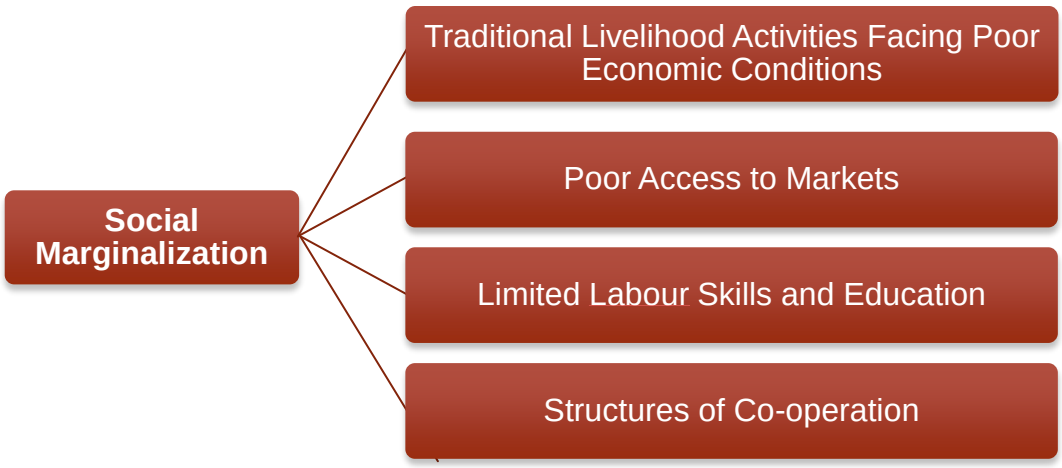
Many would say that for them it is important and almost necessary to generate income and contribute to the household economy. Many women now engaged in labour unions, co-operatives and other related traditional livelihood activities, express the difficulties they face in finding employers who comprehend their family roles as mothers, wives and overall as women. They often state that existing employment opportunities found in the aquaculture industry demand strong physical labour, harsh conditions and working hours that generally conflict with their domestic life. Among the participants interviewed, four distinct social groups were readily identifiable who may have or continue to experience specific types of discrimination: indigenous groups, women, elders and youth. Most of the

organizations have a high percentage of older members, with few young participants. It should be remembered that the older rural residents are often the ones having high levels of illiteracy, who are the least likely to immigrate and incorporate into modern forms of employment. The youth, on the other hand, are migrating and leaving behind significant cultural practices and values. Youth continue to struggle to gain respect in Chiloé, and in the Chilean society in general. In order for young people to fully incorporate in to the adult world, they need stable employment and the capacity to establish a family (Sandoval in Vazquez & Novaczek, 2010, p. 14). While it is common to see both indigenous organizations in rural communities, few new migrants engage in those traditional activities. It is interesting to note that many of these organizations have experienced an increase in participation by women because there is a resistance to modern forms of economic development. Local co-operative associations offer women the only opportunity for less degrading working conditions and more dignified jobs than those found in the salmon industry.

The following section presents participants' accounts of both social and spatial marginalization.

Social Marginalization

Figure 5.1 Social Marginalization Chiloé



Traditional Livelihood Activities Facing Poor Economic Conditions

Encouragement from governmental entities has often motivated the recent formalization of traditional operations. Access to state economic resources often, encourages small farmers and other businesses to formalize their organizations. Accounts from government officials describe that other aims of state agencies include the development of agriculture and forestry activities, the strengthening of production systems and related activities, an increase in incomes and to improvements to quality of life. Also they wish to introduce a culture of co-operation, and ownership or enterprise. The majority of study participants reported that their organizations received financial and non-monetary government support for start-up. Although financing of small farms primarily depends on

private sector funds (coming from the pockets of the membership), generally a major support comes from government entities. Farmers, for example get access to credits through INDAP when they have difficulties securing loans from formal credit markets (Saldias & von Cramon-Taubadel, 2012). Participants from the co-operatives of Lemuy and Putique L. describe those credits as a short term loan, and 'not soft'. Farmers granted small loans were also encouraged to 'initiate activities', and engage in commercial operations. Concerns were voiced by the Workers Co-operative Punta Chilén relating to the systemic lack of access to credit from banks.

> The co-ops in Chile do not have much support from the financial side; from the banks for example, there is no access for the greco [small scale agriculture]. Banks do not take you into account because you are a co-op. I don't know why, but it must be because you don't have many resources, and you do not have as much financial resources. I mean, the only resources (credits) we can gain access to, are through INDAP. But on the banking side, it is very difficult to get credit. INDAP has a limit, po! [Chilean expression to imply emphasis]! Nor is it an 'open letter'. That is on one hand; on the other hand, there is the bureaucracy issue. They demand certain documents so you can continue to operate legally, it is very bureaucratic! And the financial support from state agencies is not geared toward the co-operatives. I mean, you enter into competition with all other companies that are operating, independently of the level of production. I mean, you enter into competition with medium-sized companies for the same resources. There is nothing for small-scale agriculture. (Workers Co-operative Punta Chilén)

In Chile, credit from banks for small to medium sized agriculture is underdeveloped, because "banks are unfamiliar with the unique characteristics and requirements of agriculture" (Quiroz in Saldias & Von Cramon-Taubadel, 2012, p. 3). Many of these co-operative organizations are supported by resources

coming from INDAP and they have to transfer a significant portion of those resources to hire a technical team (through a permanent program oriented to small farmers) external consultants deliver technical assistance to the co-operatives, which according to INDAP, technical assistance is a permanent program oriented to small farmers. When the Co-op Lemuy initiated their operations, they were granted a working capital of 8 million pesos to be paid back within two years. It was also recounted by a member of Co-operative Campesina Putique that when they started, they had more personnel; a secretary, an agricultural engineer, a veterinarian, and a manager to help run the business and commercialize their products. It seemed that most of the personnel running these organizations were external. The participant and founder of Co-op Lemuy Limitada left the co-op in 2000, but continued on with a passive role. Before he left the organization he said it was in a good state. On his return in 2008, the co-op was facing financial difficulties due to internal mismanagement of resources. Others referred to these issues as problems that arose due to the dependence on government programs that had deficiencies. Other co-operatives on Chiloé had faced similar situations, and many had their assets seized and lost everything when they failed to repay loans. The Co-op Lemuy was one of the few that survived, even thought they had to sell part of their infrastructure to pay back their debt. The organization is not now operating, but it is planning a comeback and the participant hopes to return to the work that they used to do in 1997-2000, those being the best years for the Co-op.

> We were the first here on Lemuy Island. We had to pay for that, because INDAP in those days was very paternalistic with the organizations. Often INDAP was almost guilty for the fact that the co-operative had failed, because of their different programs. For example, INDAP gave us money so that we could hire a technical team, but INDAP didn't support the technician. We had to pay so much. If they gave us 10 million we had to put aside only a little bit more than 20% for the co-operative; the rest went to salaries. In those years, a business manager earned 600 lucas [Chilean pesos]. Today that is a lot of money. That is not how it should be. Those who had private consultants were under their control. INDAP was very paternalistic with the organizations, and many organizations failed; many were lost. Grants obtained from the State today, through INDAP, are not as they should be, and these are not soft loans. There are credits for one year, but in a year, the small farmer cannot progress. So you have to pay the debt, and then one is left in the same situation. There are no soft loans, as I said, with years of grace. For example, if you get 10 million pesos [Chilean pesos] you are going to start paying after only 2 years. That does not happen; many times that is what restricts small farmers, you have to pay right away! (Co-op Lemuy Limitada)

The Co-ops often lack liquidity (cash flow) to pay their members as their transactions occur. Often the waiting period of 30 or more days represents a hardship for small farmers. Small scale farmers would only send surplus production to market in order to cover their basic family needs. They need daily access to liquidity to cover living expenses. In the long run, their operational costs (certifications, sanitation, etc.), continues being one of their main challenges.

When co-ops failed to pay back loans to INDAP, they were forced to reduce their staff, which in many cases reduced them to one external support person, an accountant and/or administrative support. Government programs exacerbated the lack of local capacities that exist on the islands by providing funds to hire external experts whose labour was not affordable once the grants expired. There was no effort to build internal management skills. The co-operatives that were able to

develop a more sustainable business structure had some capacity to financially sustain their operations, whereas others slowly disappeared.

It was explained by one official from PRODESAL[43], that to some extent the municipal and federal entities had some responsibility for the dissolution of many Co-ops in terms of not encouraging more viable structures. The process of redevelopment after the fall of the Pinochet regime was explained by an officer in a development agency in this way:

> I believe that we as a municipality, and as a state had the responsibility…we had, from my point of view, spoiled the organizations. From a political point of view, we have made them very reliant on us, and that is the reality! When we tell them 'you have to transform into to an enterprise' there is a point when they have to decide how to balance their situation… There was a period in time after the rule of the authoritarian government ended; there was a resulting financial surplus available either through the state or international institutions; there was a lot of money! At that time, organizations were disarmed because of the dictatorship period. Everything was reassembled again! [After the fall of Pinochet] At that time, we had money, and we had to spend that money, so we started backwards. We started spending money but did not spend time to properly develop the solid basis for these organizations. To this day, we still find people that come to us, looking for projects and they are looking for money, but that is because we 'lost the north' [lost our direction]. We didn't create the basis for an enterprise, and now it's much easier and safer for the cultivator to come and ask for money than to undertake real entrepreneurship, and make it on their own, independently. Nowadays, we have cheese factories with infrastructure and all the machinery is rotting…There is a lot infrastructure in Chile that is not being used... But I believe it is also our responsibility as a State, because we have not been able to invest in a more viable structure. (PRODESAL Curaco de Vélez)

[43] Local Development Program

Participants claimed that up until today and even after new modifications to the law for co-ops passed recently by legislation, there exist a series of gaps that make it difficult for the farmers to advance. In Chiloé, there are a limited number of co-ops that survived; but the history of collapse planted a general suspicion in the mind of the public that co-ops are inherently corrupt or unsustainable (S. Elmudesi, Pers. comm.). This inhibits the development of new co-ops. However, collective and co-operative style enterprise is common, and is rooted in the indigenous culture of mutual aid.

Poor Access to Markets

While there were other issues related to the implementation of farm grants, one of the main issues stated by co-ops and various other organizations interviewed is the lack of avenues to move products to market. The majority of the organizations have sporadic rather than permanent market sales. In Chiloé, there is a growing economy based on seasonal tourism, yet it is still underdeveloped. While this market is available, it is only open over a very brief season. Artisans of craft work for example, articulate that the winter months from May to September are difficult for them, because they do not have any window of opportunity for sales of their products in that particular period. The business windows for them do not begin until December. However, for these remote areas, challenges of seasonality, and difficult weather conditions, along with issues of accessibility often make their day to day transactions difficult. For policy-makers, the small

islands of the Chiloé archipelago are largely invisible, unless there is some strong promotional effort. Some participants stated that there are some communities that have more than one window of market opportunity. Proximity to developed (urban) centers presents the best opportunity for marketing, as most tourists choose to go to places where there is easy access to popular recreational amenities.

> We face a disadvantage in the sense that we are here [on an island] and we have few possibilities to go to other places with our products. I believe that if we could develop one single outlet [for sales] in winter, we would be fine; the situation could be solved, yes. We are very small. Achao is not developed for tourists, it still lacks a lot. Progress has been made, it's true! Particularly in maintaining the beauty, by keeping it clean and ensuring that people cook traditional food. But there is more work that needs to be done. The fact of being located further [away from Castro], does present a disadvantage, because before reaching us they already have gone to Castro, and probably Dalcahue and if they have the chance, they will go to Curaco. In Curaco they [tourists] are fried [in a bad position] because if our position is complicated [in terms of the location], I believe in Curaco the people that work in crafts have a much more complicated situation than us, because Curaco is on the pathway [not at the end of the road and the tourist doesn't know if the trip has been completed or not]. (Artisans Achao)

It was observed that while organizations have had access to wider domestic and/or international markets, they struggle to forge steady relationships over long term. The majority engage with a more local geography with few extending to neighbouring regions to market their products. Their sales are frequently domestic, even strongly focused on a local market. The majority of these organizations have followed a marketing approach outside of the formal marketing channels for commercialization. Their relationships are frequently informal and built through close relationships. Their sales are based on face to

face interactions between producers and consumers, especially at rural fairs and farm markets. It was stated by many agency organizations (INDAP Quinchao, PRODESALS of Castro, and Curaco de Vélez) that projects often ended up falling into the same cycle: they postulate projects, but they only get to the administration and production stage. From their observations it was clearly visible even by officials that strategies for commercialisation to the region as a whole represents one of the islands' major issues.

There exists a commercialized infrastructure suited to private companies, and local markets available in the form of supermarket chains. However, there is little focus on developing such opportunities for small farmers and their co-ops. This is explained below by a project officer.

> We have put a lot of money and support into the area of production. Today our farmers know how to produce, but yet, we are still hiring professional teams [for marketing]. What we haven't been able to achieve is commercialization. Why? Because the farmer is going to produce more and produce a greater diversity of products, but he will do it only if assured that his products are going to be sold, and today! We haven't assured that security of markets.
>
> The other thing I am not in agreement with is that the State continues to put together new commercial management teams; but private companies already have those… they already have the infrastructure; they already have access to points of sale. My logic is, why create something new if the private company already has it? The other thing I do not agree with is when the farmers are transformed into merchants, they get bored! The farmer is already formed… his world is production, but when you take him from that and tell him "you know, you have to become a company, and you have to administer it all once it is fully established…" they have to sell, and instead of you improving their quality of life you ended up jeopardizing it. Because in doing all of this, they [the farmers] have already forgotten about the family. Then, when they come home, instead of improvements they only have problems.

> What has been done for many years is that our farmers will do everything, and there is where you are damaging their life. That's why some have failed. There is a moment when they would ask if it is worth so much effort for only 20 pesos more, and the answer is simple: no, it is not worth it. (PRODESAL Curaco de Vélez)

At the same time, from the participants' view, policy makers and government agencies have failed to fully implement well suited rural marketing strategies to meet the unique needs for the geographical reality of Chiloé. There is an understanding on the part of the project officer about the need to develop adequate infrastructure for commercialization that is at the same time, adequate to small farmers' needs. The project officer stated that on Isla Grande, and in Chile in general, there already exists a commercialization infrastructure suitable to private companies. It was also stated that on the Isla Grande, there is a local market available in the form of supermarket chains. While some opportunities do exist to enter these markets, it is necessary to create channels that farmers can use without experiencing negative impacts on their quality of life. From his view there is a need to create alliances locally, within the various agencies—alliances to coordinate and implement such processes, alliances with the private and local sector entities, and to implement a suitable structure for coordination and for management logistics between the producer and the already existing private market. From his view, there is a need to invest in better equipped teams in the area of logistics, because while supermarkets and channels of commercialization demand commodities, they prefer not to deal with the farmers when performing operational transactions because of their complexities (due to their informal way of doing things). From his view, current approaches of some governmental

agencies need to be changed to work closely with farmers, to understand their desires, and to build their capacities to serve local markets.

Programs Inadequate to Address Local Necessities

Persons interviewed said that many programs are implemented without taking into consideration the real necessities of Chiloé. Therefore, from these accounts, we can see that there exists a lack of trust towards third parties engaged in the implementation of programs. At the same time, there is a lack of inclusion of local people within the decision making processes to formulate programs that meet people's real necessities. Some participants stated that one of the main issues with some programs that focus on small farmers or other types of entrepreneurship is that they are developed to last for only a short period of time, with government personnel rotating constantly, without reaching solid results. They also believe that although they have seen some programs with good ideas, many times these programs are implemented through private consultants, and they feel that a large percentage of the funding stays with the consultant and a marginal percentage actually touches the ground within communities.

> I think that there should be something that works for us, but governmental programs are sometimes enforcing, installed from a person who is in Santiago, thinking for you who lives here. Then I think that the government in many cases has put their foot in it [worsen the situation]. For example, when constructing a building in a place like this, engineers are from Santiago. Architects are sitting in Santiago looking to themselves... it is not the person who has to do it! …But people who have to generate that [project] are the people who live

> here, who know the needs, how to move [knows how to move on the island] ... (Artisan Achao)

This is not only an issue for organizations, but also for local municipalities. In many cases, it was stated by local officers that the majority of programs are developed from central Chile, and in many cases, they have to search like any small organization, for programs that are available to them. Officers from PRODESAL and INDAP stated that the programs are developed according to the government in power. At the local level, their municipal team may change its members depending on the local government in power. This changes the dynamics of logistics to implement programs. One of the participants stated that because their municipality is allied with the opposition, they have more barriers and have to find creative ways to generate resources. In the administration, they felt they have little power to generate programs that reflect the real necessities for the local area. For example, the participant would state that the current administration is more oriented towards business enterprises, and the generation of tax revenue through pushing farmers to initiate commercial activities. However, they felt that not all small farmers want to become an enterprise.

In many cases, a lack of understanding has caused the cessation of co-ops. An officer from a territorial organization stated that the sub–secretary of fisheries operates pretty much the same as INDAP. Resources are assigned to the fisheries sector, but open to competition. For example on the Quinchao islands, the three unions located on the small island of Llingua merged into The Federation of Chiloé Unido, located in Dalcahue. The difference between having

and lacking a federation is the ability for building capacity. It was said that some federations allocate resources to hire consultants (private) to help develop projects when they enter into a competition for resources, to increase their probabilities of success. The other groups, located further away, often rely on the support available at their local municipalities. Others rely on their own organization's ability to compete, and are often less likely to obtain funds.

Limited Labour Skills and Education

The various organizations on the islands of Chiloé are populated by older people having low levels of education, and that was an aspect mentioned in every single interview. While some of these organizations have members with postsecondary and technical education, the majority are constituted by members with basic to intermediate education. From their view, there is a need for programs to include certain demographic groups (e.g. older people, women) in training programs for modern skills development.

> To be precise, the technical positions are made for professionals with technical skills to carry out the projects. We propose the projects ourselves; we brainstorm together until we manage to do it. For example, I have technical studies, Hilda is studying to become an educator; I am an accountant. I am not an auditor… This year, there are many communities, for example, that could not apply because the [technical] applications are very complex. Then, for example, our indigenous people's educational level is no more than grade four or six, and their technical skills are not sufficiently developed to apply for these projects. Imagine you go to the internet, open a web page, create a blog, find resources for outside financing. We do not have the professional capacities to perform these. We have tried to get funding

> to try to teach people, but the funding isn't available, because they say it is only for youth. For example, they tell you [it is] for women who are younger than 20 years, or 24, because those are the [people whose skills] they want to enhance for development. (Rayen Kuyen)

Some of the participants from Co-op Lemuy also stated that the lack of education and training for members running the organizations is the reason why many organizations fail.

> We have no other professionals working here who can attend [meetings outside the co-op]. If I go, and I have work to do that no one else can do, then I have to prioritize, and weigh one thing against another. Because even though we have a Board of Directors, it is made up of country people, and you have to accompany country people when they go to Santiago or elsewhere. They will not go alone to Santiago, because it costs them, or is a larger city to get around and all that… Then, it is only for people who dare to go out alone, and then it is impossible to participate. It is a small company, we don't yet have a permanent work team that is more professional. Although I am the manager I also have to do many tasks, I mean everything! I am responsible for production, commercialization, to find new firms, and all that the business entails. I am the only person hired on a permanent basis, so I have to take care of everything. This is still a small business. We need professionals who could take care of the commercial area, so we can reach more markets more completely! We lack better markets. (Workers Co-operative Punta Chilén)

Participants stated that they need to formalize the leadership within their organizations, because while they might have a leader with the experience to operate the organization, he or she would become discouraged or dissatisfied with the job. Many times projects fail because of the lack of knowledge or capacity to implement projects, or to communicate with the government institutions or potential clients. Interviewees observed that education levels have influenced the

performance and success of their business operations, because people cannot fully participate in decision making concerning their respective occupations.

Structures of Co-operation

It was stated by one officer from PRODESAL that in small municipalities there is a distinct political perception which is, from his view, a bilateral dependency and a form of manipulation, to secure political permanence. This, from his view, is more evident and common for small communities. Such bilateral dependence produces a vicious circle and affects the development of organizations in small municipalities. It was commonly agreed upon by various officers from INDAP in Quinchao, PRODESAL Castro, and Curaco de Vélez, that there exists a cultural issue in relation to enterprise development on the islands. It was commonly referred to by the various agencies, that even when development proceeds, people often prefer to live off the welfare state. It was seen as a type of reluctance to engage in enterprise. There is a lack of acceptance of risk, or of separating from complete dependence. One member official, for example, voiced that there is a lack of knowledge because, although small producers have the potential to generate something bigger, and while there is a great number of people who actually do generate many things, they prefer to do it informally. The government staffs see this as a major issue. Artisans can be the best in the world, and there may exist private enterprises that wish to commercialize their products. But if they are not operating formally, they face difficulties marketing their products

through formal avenues of commercialization. They also observed that often these organizations are afraid to initiate operations. This is one of the main reasons to obtain bank credits. From their view, people are afraid to lose welfare privileges (subsidies such as Chile Solidario, Programa Puente, Scholarships, etc.) that are granted to the poor and unemployed, and that reflect their social protection records. The poor are often seen as being afraid to lose their privileges, even though their businesses could provide a much better gain. From the view of government workers this constitutes a cultural phenomenon in which those at the local level find it difficult to change. Government agents feel that such cultural issues cannot be changed from one year to the next. Rather, these changes are only possible on a long term basis. Members of the local organizations on the other hand, explained that they do have a strong links to local and state support. Social networks within the municipality are seen as facilitating welfare or assistance, and to be less about ideas for development.

> We have few social networks, though more than anything at the local level, with the municipality, it is welfare based assistance. In Chile the movement is less about ideas, it is more related to assistance. The networks of our peers are to strengthen us, but the networks of our state are more towards welfare. One has to seek for nomination, favours, to signing agreements or conventions... they do not offer to us, in the way someone from abroad would do, and ask “What would you like to offer and based on that, we see what we can do, together...That is not the case here, where I find that the capacities are devalued. In Chiloé for example, there are health professionals seeking training outside of the region, even outside of Chiloé. I feel that we have an excellent experience in health care; we have no systematization but we have the elements, but those experiences are not valued, locally. (Rayen Kuyen)

An official from PRODESAL Curaco de Vélez stated that, while agencies have the responsibility to provoke changes in the level of poverty of small producers, they also have the responsibility to consult and respect the level of change a farmer wants. This agent said that while small producers can gain more benefits as enterprises, not all of them are prepared or ready to take such steps. The same officer indicated that an organization is often ready for change when the members take ownership of their organization and make the entity their own. Later the officer would mention that those organizations that have taken ownership often become less dependent, even though they might still rely on resources available through the state or local municipalities.

Other changing structures of production in the province are explained by a project officer from PRODESAL Curaco de Vélez, who stated that for farmers “it is much easier to work individually with his family.” The officer explained that often, on the island, small farmers more and more prefer working individually, and such a situation is the reason why, on Chiloé, co-operatives are disappearing. Some co-op leaders stated that members would stay as long as they have an economic gain, but they often are reluctant to co-operate if there is no secure economic benefit, and that represents a serious issue. Many of these organizations have a closed membership. While they generally started with a large number of members or associates, they often drop in numbers as the organization transition from beginning to consolidation, and in some cases that transition was explained as exhaustive, costly, or time consuming. One member felt that it was unfair to reintegrate previous members who did not believe and/or struggle as the founders

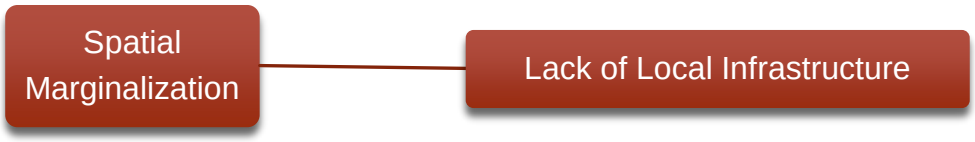
did. He also felt that people in their communities are often jealous of their success. It was commonly observed that the oldest organizations were more reluctant to integrate past and/or new members. Many of these organizations have a significant percentage of older people in their membership—the people who initially constituted the organizations. Often these organizations end up rather exclusive, and are extremely bounded by those constituting it. One of the greatest concerns for many of these closed organizations was survival. The officer from PRODESAL Curaco de Vélez stated that small producers needed to associate in order to gain more volume as producers. The officer would also add the need for coordination and logistics management between producers and the market. While many desire to continue, a strong sense of individualism, lack of co-operation and a reluctance to integrate new members prevented their growth. The Social Organizations Officer stated that while PRODESAL and other agencies often devote efforts to develop projects for farmers and other organizations, there is a need for these organizations to associate with one another.

Pitchon (2006) described Chiloé as an egalitarian society. Chilote communities are perceived to be cohesive, with friendly neighbours characterized by solidarity (Mojica, 2010). Class structure between the Mapuche-Chonos was nonexistent; they were isolated and self-sufficient; sharing in the hardship of life was a strategy for survival. Nevertheless, Chilote communities were seen to be "complex" (ibid., 2009, p. 93), because of conflicts within productive organizations. According to Pitchon (2006) there is a history of marginal social structure that emerged on the province "with some historic families having held control over

ports and natural resources, establishing themselves as a type of persisting aristocracy (Ibid., p. 19).” The author further described a new that ‘stratified society’ emerged as a result of the growing aquaculture industry. Where resources “tend to be assigned to a group that is smaller than the overall population and are not redistributed, producing unequal distribution of natural resources, often necessary for survival” (Ibid., 19). It is seen as a new type of hierarchical social system which according to the author “does not fit into traditional Chiloé (Ibid.).” Therefore, Chilote traditional way of life “is now threatened as certain issues of class, relative poverty, external values, and extended employment possibilities establish themselves (Ibid., p. 20).” From this view, while there are programs developed to encourage development of traditional livelihood activities, to improve their impoverished situation, and encourage co-operation and entrepreneurship, there are many challenges to development of rural production sectors.

Dimensions of Spatial Marginalization

Figure 5.2 Spatial Marginalization Chiloé



Lack of Local Infrastructure

Some participants stated that Chile is a country where people usually pay high taxes. Nevertheless, they felt that tax dollars are not well distributed within their region. The perception is that whereas the islands contain large industries, economic returns go to the central parts of the country. For the islands studied, access to market is determined by physical distance from urban centers and locally available transportation infrastructure. The more isolated the islands, the less developed they were. Although most business participants felt favoured by their location because of the close access to their resources, they felt nevertheless negatively affected by existing poor infrastructure services (e.g. a lack of waste management, running water, electricity, paved roads, and road networks; minimal harbour wharves and ramps; high transportation costs; and limited communication technologies such as internet, telephone and libraries). In terms of their physical connection to markets, good weather conditions and

reliable transportation services were crucial. In Chiloé they have strong communication systems for broadcasting weather conditions (Capitania Marina/Coast Guard) but the transportation system is still underdeveloped.

> I do not know if a state has to ensure that there is work for its people. Also don't forget that here in Chile is one of the countries with high taxes and these should be distributed locally, because although it is true, if you look here in Chiloé we have larger companies, all the economic return goes to the center [outside the island]. To improve the quality of life, those revenues should stay within the zone and be handled through the municipality and that income redistributed among the Islands: improved ramp access on the Islands, better access to vehicular roads, or lower costs, because we are the ones who are doing the spending here in the area [in terms of making some infrastructure improvements]. (Labour Union Llingua)

An officer from PRODESAL Castro, said that one of the difficulties they have had on the small islands they work with, is the distance. Though not necessarily in relation with the distance in kilometres but in the type of transportation, since most of the people use small wooden boats that take two or three hours to travel to Isla Grande, and regular daily service only during the summer. People often face difficulties transporting their products. Quinchao and Lemuy are among the biggest islands in the province, and these are the ones that enjoy more development in comparison with smaller islands. Life on those smaller islands is especially complex. While officer's agencies (PRODESALS, INDAP, and Territorial Organizing) who work closely with producers agree in relation to the persistent lack of rural infrastructure on these islands, some officers say that the problems occur because local geographical realities are ignored:

> The failure is because people on the small islands have not yet satisfied their basic needs. Among some of the major issues regarding infrastructure are access drinking water and sanitation. Others are, the sanitation fields since a great number of people do not have legal titles, that's one of the drawbacks...This has also impact—the production environment, because if tomorrow, someone wanted to put a small business on the island, if the titles do not exist or if they don't have access to drinking water…The islands are going to be generating things, but they have these limitations. If they do not have clean water they won't be able to meet health standards.
>
> At the end, all this happens because the state believes in what is generated as a rule or regulation at the central level, but it does not take into consideration the geographical situation of the territory. For them, it does not matter if you live in Arica [Northern Chile mainland] or in Punta Arena [Southern Chile, an archipelagic region], and such a situation creates these problems with the distribution of information, with not recognizing the geographic differences. For example, it may take 20 years before an island can have a sewer system. In fact there are communes on Quemchi that do not have sewer, and they are located on the Isla Grande of Chiloé! Then, imagine if a municipality is on the Big Island that has no sewer, how long it will take before a small island can have sewer? Only then they will say [once they have satisfied these basic needs], now we will formalize [the business operation]. Then they might have the motivation to formalize. These issues happen because in reality, local realities are not considered. (Productive Development in Achao)

While new projects are being implemented to generate possible solutions, PRODESAL staff clearly stated that it is necessary to create renewable and cheap energy alternatives. This is done through private or other alternative forms, because local and state resources to generate electricity are limited. One of the current important projects is oriented towards the generation of electricity to allow longer use per day. Currently, islanders use diesel generators. Some islands generate electricity for about eight hours a day for the entire village. On others, families generate power at home for three to four hours, independently.

For the small producers or any other businesses this constitutes a great challenge. According to PRODESAL Castro, people of these islands can't sell perishable products such as butter, yogurt, milk or meat, because it decomposes rapidly. According to the officer, there are a number of complications that are not only linked to the remoteness or isolation, but also to the transport requirements the different entities, or by issues of marketing. They could move their products, but if they do not have anyone to buy them, they cannot return with their products since that implies an extra effort and cost to return goods to the island. For them, this represents a complex situation. They have to meet health and safety standards, and cope with transportation and distribution challenges. The lack of development, which is notorious in the more remote areas, is viewed by many as a lack, not necessarily of physical infrastructure but of social and political connectivity, all of which hampers development,

> Look, I think that there is marginalization by the State from development itself. I think that there is social marginalization… not particularly because of being indigenous but because of the limited rural conditions we live in. There was some uprooting of the matrix [the cultural matrix or cultural identity] and people have migrated [as a result of weakening of the cultural identity] and everything that is happening…I feel that there is a marginalization and that is happening for the same reason we talked about previously, regarding connectivity. The message arrives to those who care to get the message. Because we also depend on the political landscape at a given time, the same as any other developmental order. For example if I, as the government, see that a particular group or organization will be a good focus in terms of my political development, I will provide more information to them, and I will probably benefit in other ways. However, if I find that this organization has some political nuance such that it is not convenient for me to allow that organization to develop; I am going to try to overlook it so...less information, less development, then it really costs a lot! (Rayen Kuyen)

An officer from PRODESAL recounted that on the islands, there exists a social phenomena that results from the lack of basic infrastructure services, especially in this globalized era. In communities that lack electricity, water, or access to communications this affects the older population and the youth. Youth who live on the large island, whether for work or study, have access to electricity all day, and can be introduced to different services available to them, and to internet and other tools. They have more work and more amenities, with more life expectations and a better quality of life. Often, this explains why many do not go back to their islands, so those staying on the islands are older people. The officer from PRODESAL Castro said that on these islands, the biggest impact is going to occur when there is access to electricity. This change would be the main motive for new companies to move to these communities, so that people would be able to develop their products, and to deliver a finished product and obtain a better price [because of the added value]. Tours could be managed so that tourists are able to stay in local accommodations and be able to walk around the island, and know it better. At the same time, there could be change in the islands' demographics, if young people choose to stay on the islands because of the new infrastructure and employment prospects.

Marginalization Experienced by People of the Islands of Penobscot Bay, Maine, USA

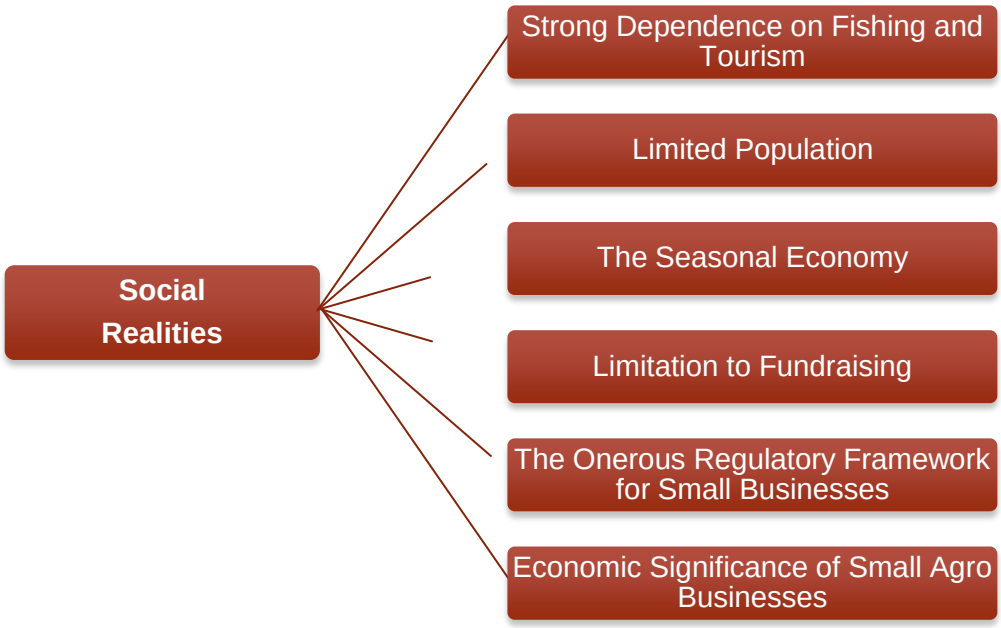
In reference to the islands of Maine, some people expressed concern about using the term marginalization. Remoteness and isolation are perceived as part of the reality of living on an island, as a distinct way of living. They expressed a positive rather than derogative perception towards feelings of being marginalized. However, participants would acknowledge that there existed challenges when living on an island. They often implied that different people have different experiences, in that those who had stayed on the island for a short period of time may feel marginalized. Conversely, those who live on the island year round accepted it because it represents the way of life they have chosen, and they have to adjust, invent and be creative. Some did not feel marginalized, for one, because of the high levels of education of people that inhabit the island, and also because the island, for them, represents a place where they are not forced, but choose to reside. However, they state that physical problems on the island exist such that a marginal status will be often be ascribe to the islands by the mainstream mainland. When Maine participants referred to marginalization they often defined it in relation to the significance these islands have in the eyes of the larger society,

> Physical problems are definitely real, they all are… it costs more to get things out here, our food costs are high. I understood that it takes roughly 1/3 more to build a house out here than would a comfortable house in shore; it might be because of the transportation problems, so yes! Those are real problems, but as far as the remoteness, being more a social problem, less so! It's not as much a problem as the actual physical problems of living here. For me marginalization means what a

> society or a government or a group of people, or whatever entity you choose, has decided that you are not that important, that you are on the margins, and that you just don't matter or you just don't count that much; that's what marginalization means to me. I only feel marginalized sometimes, in that we are so far out of the mainstream that people tend not even to be aware of our existence, but not in any derogatory sense of the word, no! I think there is a 'reverse of marginalization' that occurs when you go out looking for funding people, who think that you are living here in the paradise, and they might say, what you need more money for? I guess it's not so much a matter of geographical location, it's just the matter of a general awareness, if we were a larger community on the coast, they probably be more aware of us. (MISCA)

In Maine, unlike Chiloé, the SEs are not necessarily constituted by people experiencing aspects of marginalization. However, in some cases people that benefited from past social or economic projects are now actively engaged in the organizations. Unlike the organizations of Chile, these organizations share a general, rather than a particular, concern about island realties. A participant would say that living on an island has its advantages and disadvantages, but one of the hardest things for them is that they have such a small year round population. For many the topic of affordability is compounded by the limited population plus the cost incurred because of the geographical location. The islands are seen as small communities, but also as a small funding base. A participant from the Monhegan farm project said that the there exists a long history of self-employment, and small scale business employment. Therefore, social security, and concerns for sustainability were central aspects for many residents.

Figure 5.3 Social Realities Maine



Limited Options: Strong Dependence on Fishing and Tourism

The islands' strong dependence on the fishing and tourism industries represented one of the major concerns for many residents. The majority stated that fishing constitutes as the main source of employment. At the same time, they noted that businesses on the islands are connected to rather than isolated from each other. Therefore the effects of economic changes are not compartmentalized but affect all socio-economic activities.[44] One participant stated that on Vinalhaven between 200 or 210 people are fishermen, with each

[44] The Vinalhaven Comprehensive Plan, (2004, p. 17) stated that negative impacts in the lobster industry could drastically affected businesses in the service sector (Restaurants, building trades, groceries, and other stores).

one employing at least one steersman or woman. Participants would also mention the movement of young people into the fishing industry. According to Dyer *et al*. (2001), two-thirds of the 1200 residents on Vinalhaven are members of fishing families, and two-thirds of the employed are lobstermen, while the other third work in the tourism industry. The rest of the economy, from their view, is also part of the tourism industry, but for them even tourism is tied to the fishing sector.[45] This fact was well comprehended by the restaurant sector, and the various souvenir stores where images of the sea, the red lobster and fishermen are the one of the key elements. One participant said that the community feels the impact of the lobster season positively or negatively, depending on the season's changes.

Although the Fishing Co-op helps by creating a stable market for fishers, the fishing sector presents other economic and social challenges.

> The lobstermen are the economy on the island. Almost everyone is tied directly or indirectly to the lobster season and the small businesses of course thrive through tourism, and through, you know, the people who live here year round; 1200 of us. So if there is a lobster season that is really down, everyone feels down, we all feel the impact immediately. If it's a good year, then obviously the economy feels much better. And for local businesses the tourism is huge, but only in June, July, August and September, we have a lot of tourists. You have only 3 months. In the long term, there are several challenges and that would be whether or not any island can be a viable organization in a new economy. Who knows? You know, because most of the islands at this point are dependent on fishing. If that changes like it did with granite, there is no manufacturing here. It's not like we have a manufacturing base. What would we do? What would any island do in 20 years from now if there is no fishing? What is wonderful is that most of the money does stay here. I guess in the short term our biggest challenge is for the school facility, and our budget. In the long term, I am concerned about the long term viability of Vinalhaven and every island, because we are so tied to the fishing and tourism industries. It is always, you

[45] This is also a similar pattern found on other islands as well.

> know, making sure the community agrees with our mission. (Vinalhaven School)

Their main concern regarding the fishing industry is often expressed in comparison with past experiences with the Granite industry, which many refer to as a self-sufficient period. There is a concern for sustainability and the long term viability of their islands, and this is because of the strong dependence on fishing and tourism. While fishing is currently considered to be a profitable livelihood, its future seems uncertain. This was a topic that was mentioned on several occasions by the various participants in the interviews. Issues in the fishing sector constitute some of the major concerns for many residents. The participants interviewed from the Fishermen's Co-op of Vinalhaven explained that in the past, the co-op ran a processing plant, but it was forced to close because of the increased cost of transportation, packaging and other related supplies that made it difficult to compete with other processors, especially with Canadian processors, as the participant revealed. Currently the co-op only runs a lobster buying station. The participant stated that they provided members with bait, fuel and with a parking lot space. Through the Co-op they intend to create a stable price in the market. However, shipping and fuel costs are some of the major issues for fishermen in meeting the market[46]. According to the participant they have to pay an extra 60 cents just to get the lobster from the island to Rockland and an extra 50 cents a gallon for fuel. To cope with some of their expenses the Co-op also runs a gas

[46] Additional expenses are repairs and maintenance.

station in the town, where they generate revenue which, according to the participant, is marginal.

> We make a little bit through the gas station, but not much. Even though the price is real high, there is not much margin for us to make money there; we make some. We make money on lobster and the more lobsters we buy, the more we make. It takes so much to run the place, like a flat fee, you know a flat amount for taxes, insurance, workers and maintenance. (Fishermen's Co-operative Vinalhaven)

Other important issues for the fisheries are access to the wharf to get on and off the island, and access to fish houses, which were referred to by the fishermen as one of their main physical limitations. Monhegan, for example, has a small fishing fleet; due to their size, they formed a lobstermen's association. It was mentioned that there were attempts from inshore fishermen to take over the Monhegan area with faster boats, which represented a tremendous threat to the Monhegan fleet, and its overall economy. These particular fleets obtained a special season (six months), which was very inviting to others external to the island who wanted to slip inside the islands' territorial waters and take over. The participant talked about how fishing on the island has a long tradition that they aim to maintain. The participant stated that while people want the island to survive, and since Monhegan tourism is seen as a sector from where most of the money is generated, a balancing of their economy was coupled with maintaining a fishing community, and not just a tourism community. But the increasing valuation of land and the reduced access to the waterfront are seen as one of the most common

challenges for the fishermen[47]. This issue was well explained by the Land Trust who encapsulates these views from an island perspective:

> The main challenges of living on an island is obviously….I guess the sort of standard term for…it would be the isolation, but I think of it more as any living situation that a human being is and contains. Constraints and it contains opportunities and they are usually related. It is on an island; which means that the environment has certain coherence, a certain wholeness to it that is sharply limited at the edges. So and that affects not only our opportunities to protect land, because there is a great emphasis on the value of land that is on the shore both especially by the shore where summer homes have been developed; because that is what people come here for vacations but also because it's a big part of, you know! It's related to 80% or 90% of the economy here. *(*Vinalhaven Land Trust)

This narrative refers to the livelihood activities on the island of Maine both generated through fishing and increasingly tourism. They represent an opportunity but also a pressure, which is placed on its limited space, which in this case is the shoreline. The islands experience a strong reliance on tourism and the summer community. The participant from the Land Trust stated that all sectors of the economy are connected at some point to those temporary visitors; they all actively work to draw those temporary visitors onto the island, whether by providing access to the natural environment, by keeping it beautiful, or by offering services, and accommodations, etc. They want visitors on the island and to invest in the island; nevertheless at the same time they often face concerns in relation to the islands' extent of development, its carrying capacity,

[47]Other limitations were the special rules on conservation, traps limits, trap days and safety standards.

> I think the challenges will be over use of the land; too many people visiting, over-crowding, and the other challenges, how we manage the land? As simple as the goal of the organization is to buy land and leave it in the wild state. But once you have done that, and you have lots of people visiting, you start coming up with issues like, how well the trail should be groomed? How clearly they should be marked? Whether you should cut down dead trees to prevent forest fires, whether you should maintain the landscape so they look like they did when artist painted them 20 years ago, hundred years ago. People came up with all sorts of ideas of managing land. (Monhegan Associates)

Other concerns from the Land Trust relates to the islands' extent of conservation and their ability to raise money. It was mentioned that the islands operate in a cash economy, and service providers need to raise money in order to accomplished their mission, including paying for maintenance of the ecosystem. Participants explained that they have about 2000 acres of protected land on Vinalhaven, including the surrounding sea bird nesting islands where they own about 800 acres. At the same time it was explained that once the land that is being acquired by the trust or donated by summer people, and while they aim to maintain the land properties, it also limits their capacity also for development. There are implications for the town because the land that is being donated by summer people corresponds to capital previously generated by people who used to spend time on the island, buying groceries, paying a caretaker, or paying taxes to the town, and that no longer exists. This means that once a property is preserved, the town can no longer raise tax revenue from that property. According to the land trust participant, this cuts down on the ability of the town to provide for other services, be it the police service, fire department, or to fix the roads, among

other public provisions. From their view, there may be a net good or net loss, which often depends on the value attributed to the gains and losses including impacts from feedback loops.

The Seasonal Economy

For some, surviving through the winter season remains a challenge for island businesses. People talked about how one of the realities of an island is the seasonal population that comes and goes, and from whom businesses make most of their profit. After the passing of the summer months, many experience reduced traffic. Participants from a souvenir store stated that the season for tourism covers June, July, August and September. For others the season only covers two months. The season also varies from island to island. A participant from Vinalhaven stated that in the summer there are often people making daily trips on the boats, 'walk-ins', but in winter almost nothing.

According to McReynolds (2014), over half of the taxable retail sales occur in summer months at the height of tourism. It is a similar situation for all islands, with at least a third of taxable sales happening during the summer period. In the year 2010, sales increased by 7.3% during the third quarter (July-Sept); nevertheless, sales per island are based on "the unique experience of each island" (ibid., p. 11).

On the island of Vinalhaven, Main Street is where most of the businesses concentrate. The ARC, Tidewater Motel, US Postal Service, Camden National

Banks and several other businesses linked to the tourism sector can be found there. A great percentage of the businesses are affiliated with the Vinalhaven Chamber of Commerce, and according to a board member, one of the main economic challenges is how to maintain Main Street with a two month tourist season? How can they find a balance between remaining a true working waterfront and building tourism at the same time? These concerns were expressed by business people whose main revenue comes from the sales of goods and services (stores, cafes, etc.). Although the summer populations constitute the main source of income for many families, the year round populations on the islands of Maine are of great economic significance since they generate economic activity in the winter. Finding ways to get the island community to take better advantage of what local business offer is important. The concerns of some businesses are strongly related to the limited extent of the population, as well as the short tourist season. The realities of limited population on the islands of Maine push business organizations to operate in particular ways. For example, some participants stated that on the islands, people understand those realities as constraints; therefore they modify their operations from season to season. For businesses, this often constitutes a challenge.

> One of the realities of our island life is the seasonal population that comes and goes. We understand those realities as a constraints or parameters; we just have to accept that reality. The island has 1165 year round residents. They, I believe they occupy about 430 homes or something along those lines. There are over 500 summer homes, and the summer population more than doubles how many people are on the island, just with people that own land here and come here to stay for the season or for a part of the season. But then, the tourist traffic is

> another set of thousands of people that come walking through…they are the ones who are looking for specialty shops. Mostly they are the ones who want to spend money and support something local. The people that are locals, they want to have access to things, but they want to survive and meet their budgets. (The ARC)

Others are finding ways to commercialize and take advantage of e-commerce (thanks to access to technology media). They are creating ways to manage logistics avenues for the tourism sector. Nevertheless, though these businesses are creating new avenues for commercialization, the challenges of cost and logistics persist as it's explained later in the section.

Limitation to Fundraising

Having a limited population also limits the options for funding local projects. It limits the capacity of the Islands' municipalities to raise funds from tax revenue for the provision of services required for running a community. It also limits the capacity for those organizations that depend to some extent on local funding. The ability to raise funds varies according to by the variance of seasonal and year round populations. A utility service provider, for example, explained that often the cost of infrastructure necessary to provide services on the island, combined with the small population makes the burden per individual much higher in comparison to an organisation with a very broad service base. Some traditional non-profits state that in the past their fundraising has 'dried up' at times, alluding primarily to donations from the summer community or year round residents, as an example of

the limited access to funding for an organization. There is a perceived universal challenge for non-profits that do not develop other forms of generating revenue. However, participants state that the challenge to raise enough funds is a true reality not only for them but for anyone else. The North Haven Arts and Enrichment provided some insight:

> We don't get any money from the town; we do it all privately. There are different foundations; there are individuals and there are foundations that we get funds from. People that come here in the summer, they have their own foundation, and they all donate, but there is different organizations in Maine that we apply to, usually for specific things. People who look for funds are the people that we have here, the executive director and the programme director. You have to tailor your proposal for that, but mostly organizations want to know that the money is going to the biggest group, and we don't have large group. Those numbers out here, and that's part of our problem, we can't say yes we are servicing 10 thousand people, because we are not, we are servicing 350 people. For instance if there is an organization that gives to kids, ok! We have might be, 60 kids in the school. To them that sounds like nothing, but it is probably as important, if not more important, because there is so few. (The North Haven Arts and Enrichment Center)

This narrative may explain the perceptions of marginality by mainstream mainland, when island organizations are looking for external financial support. A participant from the co-op, for example, expressed that while the co-op has been able to be reliable to perform its functions under state conditions, they nevertheless still struggle to be affordable. While many of these organizations do produce revenue, or generate local funding, they nevertheless state that outside support is essential. One non-profit organization explains that for them, one of their main challenges when looking for funding is to prove the value or gain of a project when the community that is to be the beneficiary is so limited, even though

the impacts on a given community that said funding will generate are important. For others, the perception of the island as a wealthy place in terms of resources can be an obstacle to generating funding.

The Onerous Regulatory Framework for Small Businesses

Some participants expressed concerns over business regulations and their implications. Many of these organizations, independent of their size and organizational structure, must follow strict state regulatory frameworks pertaining to their business activities. Some argued that although regulations are not intentionally discriminatory to a particular group, they tend to affect certain businesses more than others, in terms of operations and performance. It was noted that most of the economy of the islands are built up from small scale businesses. While some businesses have developed entrepreneurial activities, and commercialized outside the islands' boundaries, the majority remain local. However, the extent of their commercialization in both cases is often challenged by their operational costs such as freight, plus the costs of complying with state and/or federal regulations,

> The restaurant business is tough…I know when they started the Island Grill, they had all the same regulation that a big restaurant would have. But I keep remembering that it's really hard to start a new business, when you have all these rigid regulations in place. My mom used to buy crab meat. They would cook in the house... and then selling in the grocery store. They have done it for many years; it was clean, not a

> problem. But she had to stop buying because they couldn't afford to have that type of kitchen to get approval, so my mother can't buy their crab meat legally. It's that whole argument you heard a lot in the United States about small businesses. How do you expect small businesses to succeed when you treat them the same you do to a corporation? (The Vinalhaven Chamber of Commerce)

The regulations are not a particular issue for the islands as a whole, but rather to small businesses already experiencing limitations. Dixon *et al.* (2006) refer to this as 'small size matters'. Dixon *et al.* (2006) have stated that, while regulations can benefit many stakeholders[48] they also impose costs, capital and compliance among others. Strict regulations may therefore promote monopolies because, unlike big businesses, small businesses are more inclined to be risk-averse, and therefore less able to react to opportunity inherent in unexpected events. Small businesses are likely to be less diversified and less able to leverage economies of scale or to access capital markets. Small businesses therefore are often at a disadvantage in the marketplace. This reflects a marginal outlook of government regulations on small businesses.

Constraints may also be created by regulations that are not necessarily followed as this places business organizations that are more formally established and compliant at a disadvantage. It was commonly said that competition on Vinalhaven is a well-known issue and while some businesses are formally established, they often have to compete with other more informal businesses. In this case they spoke about the 'smack boats' coming from the mainland to buy fish that do not pay the same expenses or taxes, and followed few regulations. In

[48] The Corporate and financial institutions, interest groups, employees, customers, and the general public,

terms of security, many of the small business in many cases are cut in their capacity to provide or acquire insurance, and to fulfill many of the requirements that large business can cope with, and that puts them at disadvantage in the marketplace. In short, while the regulations are not an issue to the islands studied but rather to small businesses, they nevertheless affect island businesses that are already facing constraints.

Economic Significance of Small Agribusiness

On the islands of Maine the impacts of unequal subsidy opportunities were also apparent. Some participants' concerns related to the policies that had been implemented in the agricultural sector. It was the view of one participant that misconceptions exist about the value of small business relative to large scale production. Their concerns are often based on the subsidy inequalities between small farming and large scale production:

> One of the things that we work on a lot is just the fact that the large players in food service industry distribution receive large benefits from large institutions such as our government. They receive subsidies, they receive tax breaks…I do not believe that it is in fact cheaper to grow a head of lettuce in California and truck it across the country in a refrigerated vehicle running on fossil fuels across our highway system or our rail system, grown in a big monoculture treated with petrochemicals, fertilizers and pesticides, and ends up coming out to this island and it sits on a shelf with a price tag less than one that was planted by hand. It sells for less in the market, but that is not because it's actually cheaper… the cost difference is being paid by tax payers, by the health of our community that ends up costing health problems at the doctor's office, by lost productivity for not having the proper nutrition and proper caloric intake. All the processing and the shipping

> of the big agribusiness is costing way more than that price tag would ever lead you to guess. So that's the economic reality that we are working within…and that leads me to believe that if small farmers are going to hold up against big farmers, they need small support, just as big farmers need big support. (The ARC)

They resent the existing reality of unequal subsidies to large and small scale producers. While organizations of small producers can have positive impacts on food safety and cost effectiveness when compared to large players, one participant stated that often a strong focus is placed on big businesses. For one, big business generates large amounts of employment. Second, large scale business is able to attain higher levels of revenue to support welfare provisions. However, a participant stated that thinking about a healthier economy implies thinking about the self-employed or the small businesses or local businesses, which from a welfare point of view creates less dependency on the system.

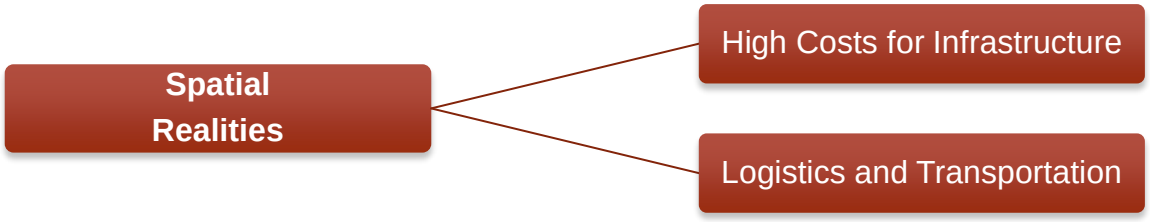
Many participants stated, for example, that the existing local tax contributions are favoured by local businesses on their islands. However they also stated that small scale farming does not generate the negative side effects (to health and environment) of large production related to excessive use of pesticides, and the larger consumption of fossil fuel implied in the supply chain. In this regard, Sumner (2003, p. 101) stated that while agriculture in the USA is large and diverse, about 90% of all the programs and payments go to a small range of crops, and payments are in some cases restricted to industrial scale agriculture. The report also states that dairy, for example, is supported by a complex set of marketing regulations allowing price discrimination within the USA, trade barriers, small export subsidy programs and direct payments (Ibid., p. 101).

Other commodities are also supported with trade barriers, whereas vegetables, ornamental crops and hay crops receive no program payments even though they comprise more than half of U.S. agriculture. Support for average producers is less than 10% of total revenue. Despite crop insurance subsidies that aid in disasters, marketing regulations and occasional ad hoc programs, government subsidy or protection for most of the rest of U.S. agriculture is low (Sumner, 2003, p. 101).

In looking at islands and policy development, a participant said that often the developments of regulations created on the mainland and then transplanted onto an island are challenging. One of the participants highlights this by citing the difficulties that arise because islands are different in their social culture and dependant on different mechanisms to survive. This can be carried into small business because while it does not create as much revenue as large scale production, it does however have the possibility to provide other contributions outside of pure economic gain. They can develop more self-sufficiency through self-employment, they also provide local employment which is important to island survival, and they improve food safety through local production.

Spatial Realities

Figure 5.4 Spatial Realities Maine



Meeting Infrastructure Needs

Some island economies are challenged by poor levels of infrastructure. The islands of Maine present an interesting situation in this regard. In considering this challenge, it was found though various governmental interviews in Chiloé, that a community requires a basic level of infrastructure to encourage its local economy to exist and expand. Services found on the islands of Maine also vary from island to island. Infrastructure includes services that generally are not particular to business needs, but help to meet the needs of all island residents and the community's economy as well. Projects requiring significant investment are often pursued through community efforts. While strong external support exits, Island residents also make considerable contributions not only financially but also devote time as volunteer labour to operate and maintain services. Future challenges for the islands will be to maintain those services that directly or indirectly affect their continuity.

Vinalhaven possesses more diverse energy services than any other of the small islands of Maine. In terms of access to electricity, The Fox Island Electric Company provides electricity to North Haven and Vinalhaven from two sources: through cables that run from the mainland (Glen Cove in Rockport) to North Haven, and from local wind turbines. In Monhegan, electricity is generated from diesel. Monhegan energy is expensive, costing fifty cents a kilowatt hour (Thorndike, 2005, p. 204). In 2012, the Monhegan Plantation Power District (MPPD)[49] received a grant to install a smaller and more efficient gas fuelled generator, but they are looking for renewable energy alternatives to cope with both environmental and fuel cost impacts.

Infrastructure services generally involve costs related to operation and maintenance. A participant from the Electric co-operative expressed how expensive this service is to run on an island:

> I think the biggest challenge, because of the geographical area, is the plant necessary to get the electricity here, and that is compounded by the limited number of people that live here to share those costs. The cost of getting the electricity here is more than most systems; I mean, the undersea cable is not something that every utility needs to deal with, and when it serves a small number of people, the resultant cost per individual is greater than people from the Mainland. (Electric Co-op of Vinalhaven)

The participant from the electric co-op affirmed that new projects (e.g., recent replacement of an underwater cable) were expensive to run as well as to purchase. The cost of everything—planning, permitting, and laying the new cable,

[49]Established in 1999, it is viewed as a "quasi-municipal" utility, subject to state and federal law. It provides centralize power to the entire community (http://monheganpower.com/).

plus removal of the old equipment—was calculated at $6.8 million. Permitting alone required hiring a consultant just to guide them through the process. The Co-op received a grant for $2.6 million from money set aside to assist rural areas with energy costs (Vinalhaven has costs nearly three times national average). The rest was borrowed and must be paid back from the rates charged over the next thirty years.

A shared reality for many participants is social security. Property insurance has become a major expense since September 11, 2001. The reality for some participants is their inability to afford proper insurance. This does not relate necessarily to islandness. But those who are limited in their capacity to generate funds, are at a disadvantage in relation to their social security, which is deemed essential for their quality of life. Thorndike (2005) accentuates that as insurance costs raise, the number of people holding insurances decline. Some of the islands are equipped generally with old trucks and generally function by active volunteer participations. During the field work it was interesting to observe boxes of equipment distributed over the island on specific locations.

Other important infrastructure issues are access to solid-waste disposal and waste water treatment. Water often comes from individual wells, and the quality varies from place to place. The Vinalhaven Draft Comprehensive Plan (2004) included, as a main priority, The Village Waste Water Treatment System project. According to the report, the community has experienced problems with waste water due to large areas of grout fill left behind by the granite industry. Although the industry was economically important, lingering pollution has resulted

in closed clam flats,[50] threats to ground water that could restrict growth and development, and impacts on residents' health. Because the waste poses a real threat to health and environment, state regulations are becoming more and more stringent. On Vinalhaven, development of the waste treatment facility was estimated at $9.8 million (The Vinalhaven Draft Comprehensive Plan (2004). Although services may be similar to those on the mainland, the costs are generally higher. Therefore, strong efforts are required not only to cope with state requirements, but to maintain daily services for residential and commercial properties. According to Thorndike (2005, p. 204) "little conveniences such as electricity, water, telephone, Internet service, and trash disposal-often are far more complicated on the island than they are ashore…they are also more expensive."

Other services that were commonly found on the islands included churches, schools, and community halls. The island of Vinalhaven also has a Health Centre, a residential home for elders, a fire department, and other recreational small halls that can be categorized as intermediate type infrastructure.

[50]Shellfish is greatly affected by the quality of the water from where the shellfish grows and feeds. But because mollusks can concentrate pollutants in their tissues, the closing of clam flats is a state mandate to protect public health whenever there is a high concentration of metal and bacterial pollutants.

Logistics and Transportation

When participants talked about spatial issues from an island point of view, they generally referred to transportation. Whether they are engaged in fishing or tourism, participants referred to transportation and logistics challenges which are easily recognized by many residents. A North Haven resident, for example, noted that resources transported to the island generally take more time and energy to import, and so have higher costs. While there are businesses that market their products locally, those that plan to expand have to think carefully about strategies to reduce the expense of shipping goods on and off the island. The fishing co-operative, for example, had a processing plant that represented an opportunity to add value to their product, and ensure access to stable markets. However they found that the costs of transportation, packaging and other related supplies made it difficult to compete with other processors. The participant stated that nitrogen used to freeze the product had to be brought out and when it was transported, no other passengers were allowed on the ferry. This story shows how difficult and expensive it could be for the processing factory.

Shipping and fuel costs are a shared reality for many sectors of an island's local economy. For example, the health center participant explained how mobilizing goods remains a challenge for their operation:

> You know, if we have a resident that needs to go to a medical appointment on the mainland, it's very difficult to get off the island and back on the island. In the past, if we had a resident that went to the hospital and we needed to go and pick them up and bring them home,

> we couldn't get a priority access to get off the island to go get them. That's been a real challenge. Another challenge we face is medications. The regulations say we have to have medications within a certain time period. They have to be returned within a certain time period, and then the medication changes and we only have a certain number of hours to get the labels changed. We have a real problem with that, because getting on and off the island is so difficult. We have had to actually have medication flown in from the mainland, which costs about $200. We have a taxi picking them up at the pharmacy, taking them to the airport. The plane has to bring them out, we pick them up, and that one medication cost $200 just in transportation fees. (Vinalhaven Ivan Calderwood Homestead)

Other challenges are those related to weather conditions, especially in emergency cases. By using alternative transportation to the ferry such as helicopters with Life Flight service, or Penobscot Island Air, they are able to move people, but it generally results in higher costs. Demands on the service, limited space, limits to multiple usage and limited trips all represent a challenge and reality for many islands. From interviews and direct observation it is clear that the ferry services are the main means of moving residents and resources, whether for daily life, for tourism, or to ship merchandise, including hazardous materials. "Transportation has always been a central and critical component of a healthy island economy and whatever the method, perhaps no other factor has a stronger impact on an island's economy and future sustainability than dependable transportation" (Island Institute, 1997, p. 15). Some participants stated that understanding the inherent geographical isolation, and planning to get things delivered on time, is crucial. Some participants imply that most of their geographical isolation has to do with logistics, in that they are limited in terms of available options. Adjusting to realities and managing work systems accordingly

helps to overcome such challenges. Nevertheless, high transportation costs and the cost of managing logistics persist. Interestingly, when looking at definitions of logistics, the term is generally related to trade and management of the physical distribution of goods and materials. However, as islands are increasingly shifting from resource extraction to tourism services, some modification in logistics management is essential for their survival.

Conclusion: Marginalization in Maine and Chiloé

From the comparative study of marginal experiences of people, strong relevance has been found in relation to the nature of marginality from Maine and Chiloé, relating to the areas of political, social and economic history, and compounded by their "natural and human resources endowment (Mehretu *et al.*, 2000)." Furthermore, it was found that the experiences of marginalisation in Maine and Chiloé correspond to the structural determinants of marginality (socio-economic and political structures) in developed countries of the North and the less developed countries of the south as captured by Sommers *et al.* (1999), but also to the fact that there are differences compounded by islandness.

According to Sommers *et al.* (1999) decisions for mobilization and allocation of scarce resources for development in the North are the result of "endogenous market systems", while in the south such modernization process corresponds to what can be termed 'enclave development' or a 'primarily

exogenous market system', where resource mobilization and allocation are often determined by rationales that are external to local needs. In many cases the decision-making in the North arises from the population that is ultimately the beneficiary of the development process. State government, often democratic, is expected to play a more neutral role in the global markets, and in this sense "resulting development process in the North is primarily competitive efficiency within a modernization process which will produce unequal but equitable distribution of development benefits in society and space" (Sommers *et al.,* 1999, p. 9). In the South, by contrast development processes are seen as "primarily dualistic with centre-periphery polarization of development resulting from hegemonic efficiency with implications for unequal and inequitable distribution of development benefits" (Ibid., p. 9).

When looking at the islands of Chiloé, participants expressed that there was a high level of dependence on primary resources, which in part corresponded to the impacts brought by multinationals and intensive industrial production developed in 1980s with the Aquaculture Industry. Over the course of the investigation a special characteristic was found in the participants engaged in the various organizations that were often reluctant to enter or excluded from this sector, and who often tended to be the same groups that experienced social/spatial marginalization. For many, the development in Chiloé is seen as one that conflicts with Chilote traditional structures. It has changed patterns of migration, the value of jobs and co-operation. While no improvement of income, skills and conditions for those employed in the aquaculture has occurred.

Livelihood activities found in rural Chiloé generate marginal revenues; however, strong collaboration is often developed to keep those organizations alive, for better access to markets and economic stability. Working in collective organizations represents the most flexible or the only avenue for entry into the market. This is especially true for rural women, the physically unable, the elderly, and the uneducated. While there are many people engaging in artisanal fisheries, agriculture and forestry, their jobs are devalued and seen as having 'no worth' because of the physically demanding nature of the job and the modest returns. Moreover, there exists a highly underdeveloped civic and commercial infrastructure in rural areas, and many organizations still sell only in informal markets. It was shown that on the small islands of Chiloé, there is a perception that marginalization is related to connectivity. That is not only reflected by their lack of physical access (poor infrastructure services) to major economic centers, but also a lack of access to decision making processes. Often the level of development seen is inclined to bilateral dependency, particularly in remote areas. In many cases such clientelism and paternalism creates vicious circles affecting development itself.

On the islands of Maine the label of marginalization is resisted, however its reality is accepted as part of living on an island. Marginalization in the islands of Maine is more related to physical location rather than to the socio-political sphere. Participants didn't express that they had poor infrastructure conditions, but rather costly ones. They didn't feel more or less represented than anyone else. In addition, residents in general exhibited high levels of participation in public affairs.

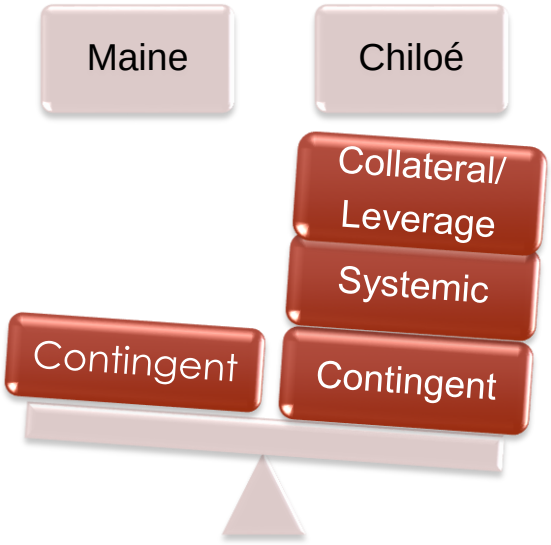
They felt that in their communities there existed a strong level of support coming from other sectors or networks; however there are important outcomes in which the islands are challenged. One by the so called contingent marginality, in which the various sectors of the islands' economy are challenged by incurring additional costs (e.g. shipping, fuel), and logistics; strict regulatory frameworks and the general competitive inequalities (referred to earlier), which places small businesses located on islands at a disadvantage. The second refers to the gentrification processes that the islands are vulnerable to, and that can reposition the islands into a state of social or situ-marginalization. This is because of increase development and restructuring experiences in rural Maine.

There is a concern for many in relation to sustainability in both fishing and tourism. Being that these are the two major sectors of the economy. A strong concern was revealed, especially for the fishing sector, given that for many it constitutes a significant component to the islands' economy. However the increasing valuation of land and the reduced access to the waterfront are seen as one of the most common challenges around the fishermen, in addition to challenges faced by market competition. In relation to vulnerability to gentrification Murray *et al.* (cited in Thompson, 2007, p. 54) states that "fishing communities face the cumulative effects of stock depletion, burdensome regulations, rising costs and gentrification."

"Gentrification has often been acknowledged as part of the matrix that influences vulnerability" (Ibid., p. 55). Participants living realities responded to aspects of affordability, which are compounded by the limited population plus the

cost incurred because of the geographic location. The increasing housing cost, as well as food and taxation are some of the living realities of the Penobscot Bay island residents. This may explain the islands' current demographics. According to Thompson (2007, p. 53), "The transformation of the Maine coast will bring benefits as well as challenges, meanwhile these fishing communities struggle with their identity in the face of inevitable change." This is because there is an experience of transition for rural communities by development processes brought by gentrified populations and the limited access to livelihood activities, where the "devaluation of domestic production and revalorization of rural space for consumption are the key drivers of rural change" (Thompson, 2007, p. 18). The author explains that fishermen are being increasingly marginalized. This major disruption could expose the working waterfront to the threat of displacement. This clearly responds to the economic changes experienced at the end of the nineteenth century by amenity migrants (See Immigration Trends and Demographic). Now, while the service sector is becoming a prominent source of revenue for many, it nevertheless faces concerns as to how much development the islands can handle. All of this is in addition to constraints in market dynamics. For the Penobscot Bay Islands, people do acknowledge the relationship and value in both sectors of the economy but the long term viability and sustainability bring some concerns to their communities.

Figure 5.5 Marginalization Maine and Chiloé



When comparing the islands of Maine and Chiloé, there is a common contingent marginalization, considered as endogenous to the laissez-faire market system, and that reflects the existing global economic imbalances and the resulting competitive inequalities that exist, especially on islands. It was previously explained that vulnerable factors to contingent marginalization particularly affect locales that are unattractive. In this sense the contingent marginalization experience in Maine and Chiloé, correspond to their physical location, the additional cost of transportation, logistics and communication. However, Sommers *et al.* (2000, p. 14) acknowledged that with increased freedom of movement and development in transportation, communication and other technologies, physical factors of vulnerability become less victimizing when compared to social factors of vulnerability: historical background, ethno-cultural

characteristics, minority status, immigration status, age, gender, and educational status.

In Chiloé unlike Maine, it would be difficult in some cases to isolate aspects of contingent and systemic marginality, as these communities manifest overlapping marginalization, resulting from both competitive inequalities and hegemonic inequities in terms of both political and economic benefits. Furthermore, it was noted that while contingent marginalization is "self-adjusting" only those areas less socially marginalized are more able to cope/overcome contingent marginalization. According to Mehretu *et al.* (2000) vulnerability to systemic marginality, unlike contingent marginality, is neither random nor self-inflicted, and it's viewed as a product of social construction of stereotypes that uses both mutable and indelible markers like culture, ethnicity, immigration status, gender and age to exclude and marginalize. Additionally, systemic marginality is viewed as the most important source of socio-economic marginality in South countries (Sommers *et al.*, 1999; Mehretu *et al*., 2000).

The Chiloé islands studied therefore experienced "collateral marginalization". These individuals or communities are marginalized primarily on the basis of their social or geographic proximity to individuals or communities that experience either contingent or systemic marginality (Mc Dowell in Mehretu *et al.,* 2000, p. 91). As well in Chiloé, those who relocate to engage in the aquaculture industry are experiencing a leverage marginality, and this is especially true for youth. Leverage marginality is like collateral marginality,

> It is as a derivative form of contingent or systematic disadvantage that people/communities experience when their bargaining position as wage earns in and suppliers to advanced enterprises is weakened by transnational corporate agents who leverage lucrative concessions by using the prevalence of alternative, often cheap, substitutes for labour supplies or intermediate inputs in less prosperous communities to which they can potentially take their business (Mehretu *et al.,* 2000, p. 94).

Although distinct from those experiences of Maine, in this situation the marginalized traditional livelihoods activities that exist play a key economic function within their communities.

This clearly pertains to different degrees to the levels of vulnerable social and spatial marginalization experienced in Chiloé and Maine. Moreover, Sommers *et al.* (1999) states that with increase globalization and international competition for trade and development, both physical and social vulnerabilities will usually increase. Thus it explains regional disparities and uneven development in islands of the North and the South, as well as the different perceptions and consequences of islandness. Following this logic, underdevelopment is not determined by spatial and social marginalization; rather development imbalances only help to reinforce social and/or spatial marginalization in Maine and Chiloé.

Chapter Six: Contributions of Social Enterprises

Chiloé Contributions

On the islands of Chiloé there is a perceived overlapping marginalization, where social and physical dimensions position the small islands on collateral state. This clearly reflects why, on the islands of Chiloé, marginalized groups (e.g. elders, rural women, youth; the majority of indigenous heritage) developed organizations as a necessity to achieve necessities for their wellbeing. When the health center staffs talk about health, they do so from the perspective of the particular needs of indigenous people, which are related to their territorial characteristics. They talk about their natural environments, all their surroundings and their connectedness with nature. There was no association or organization on the small islands whose members were not indigenous. There were, as mentioned previously, a great percentage of older people participating in many of these indigenous organizations, associations, committees, and co-ops. In general, their relationship with productive activities and to the territory from where their resources come (land, the sea, and forest) is complex, and the ethic is central to aboriginal spirituality. They showed a strong connection with the natural resources that constitute, for many, a source of both livelihood and cultural traditions. In this study, participants defined health as a condition that is influenced by people's environment—not only the natural environment, but every environment that surrounds them. This includes material aspects such as access

to the basic infrastructure, and non-material aspects, that are strongly linked to place, family, cultural and personal identity.

When participants were asked to construct, in their own terms, what a social enterprise meant to them, many had no knowledge of the term. Their construction was based upon the potential of organizations to improve aspects of quality of life.

> I believe that a social enterprise is one whose profit margins are rooted in the generation of services and benefits for a group of people who receive those benefits directly or through the work that is being developed [by the social enterprise]. It capitalizes on investing in the people, to improve their quality of life, not in reinvesting resources, but reutilizing them as utilities of free will [individualistic interest]. (ICHCP)

Quality of life was constructed around areas where community members feel marginalized:

> People are constantly happy with their environment regardless of the material goods they possess. People can have countless material goods, but if you have poor health, if you live with depression, if you don't have answers to your requirements that give tranquility to your existence, then the quality of life is very bad.(ICHCP)
>
> Rayen Kuyen also mentioned that quality of life refers to "a level of satisfaction that we have in relation to not only the space where we live, but in addition, to what surrounds us." (Rayen Kuyen)

Although many people stated that in relation to material goods, they generally wanted to have access only to only minimum amenities, income streams that are generated outside the home constitute an important aspect of their life.

> Nor is it so materialistic. It is to live better [to have the basic resources], without having to owe something at the end of the month. The idea is to live “50:50” [in that they produce what they need, and sell enough to obtain the necessary material goods that they can’t produce at home]. (Meulín Labour Union)

> Everyone would like to have a better situation because here, we are in a place where we cannot reach the goals that we aspire to. To improve our quality of life we need economic resources; it could be capital, because that is what we need here the most... If we speak of the local crafts, and being able to support the family, being able to sell the products or materials that one makes and to be paid fairly, with money that can sustain a home... or that can improve our wellbeing. (Apiao Artisans)

Other definitions of quality of life were strongly related to access to connectivity (e.g. having suitable transportation infrastructure, employment and education, and better communications systems). These also increase one’s ability to earn enough income to generate the minimum amenities that cannot be produced at home. People in rural communities recognize or believe that, in order for their children to have a more dignified life, they must achieve higher levels of education. Often, paying for education constitutes one of the main reasons for entrepreneurial efforts and the sacrifices people make to enter thework force of Chiloé, despite the often poor working conditions.

It was often narrated that people did not feel isolated because of their geographical location, but because of their socio-economic isolation. It would be difficult to say that SEs will overcome the islands’ collateral marginalization, but participants’ experiences provide meaningful insights related to the development of SEs and how they affect peoples’ wellbeing.

The following discussion provides a constructed review of the reported impacts of the SEs.

Figure 6.1 SEs Contributions Chiloé

Economic Gain versus Family and Community Benefits

In the opinion of participants, development should result in job opportunities that support and value family relations. On the islands of Chiloé, the family unit continues to be a central focus of people lives. In the Chilote culture,

the natural environment is strongly valued but so is the person as a being, with family and identity. This was clearly expressed by several participants.

Women on Chiloé are becoming increasingly engaged in labour activities. However, Chilote women in general still perform diverse household roles: attending to their families, working in farming activities, and also participating in local neighbourhood activities. In this sense, the women value a job that is not too physically demanding, so that women can continue their household roles.[51]

According to Bornschlegl (2011, p. 24), "Chilote society during 1960-1990 is said to have been dominated by a rather machismo culture and the 'jefe de hogar' (head of household[52])." During that period in time, livelihood, or the cultural and economic capital, was based on gender distribution strategies; with men's status based on personality and hard work, while women's status was linked to household skills (also hard work). Bornschlegl (2011) describes male occupations as those centered in the external space or outdoors, while women's activities centered on indoors and garden spaces. Migrations of men to mainland Chile to seek work also were part of becoming a man. Women's activities were those of horticulture and textile production, among others. Women were ddescribed as being passive, albeit strong with a special sense for tidiness. Older men would hunt and work with farm animals, and the young men fished and worked in forestry

[51]The participants were all women living in rural Chiloé; some were single mothers, with a high percentage of women ages 30 and up.

[52] According to the author, although the husband made the final decisions, women's opinions were crucial. The author states that rather than a standard machismo, it was perceived as a matriarchal machismo, since women supported macho attitudes by accepting and promoting gendered distribution and livelihood activities in their families. In contrast (Bornschlegl, 2011) to men, women would also cross over and develop activities that men would usually perform such as chopping wood, plowing, sowing, and harvesting.

(Bengoa, cited by Vazquez & Novaczek, 2010). In general, women did not have access to monetary remuneration, nor to participation in community development (Bornschlegl, 2011, p. 23).

When the salmon industries opened the opportunity for women to enter the labour force, it's often stated that opportunities were marginal. Women, as a labour force in the salmon industry, were concentrated in the processing plants. They generally work long hours under harsh conditions for low pay. The work in processing plants is carried out at low temperatures and high humidity, with long hours of standing, and highly repetitive movements. Women also followed schedules that jeopardized one of the most important aspects of quality of life—their family relations, as "an aspect that forms an essential part of human and social development" (Pinto, 2007, p. 48). Women's access to economic capital, however, did not change gender expectations. Women continued to do "female" duties such as cooking, cleaning, and raising children (Bornschlegl, 2011, p. 45). Pinto (2007) notes that the work/family dilemma produces tension and the separations and divorces are associated with this type of conflict. According to Pinto (2007), women are generally the most affected family members since they perform double work (away from home and domestic work). Stress, postural problems and repetitive work favour accidents and professional diseases (Ibid.) which countervails the benefits of their cash remuneration.

From the interview results, rural women formed their organizations to gain access to forms of employment based on their status in the household, where family and time are valued, and through which there is access to a more "dignified

life", as they call it. Although there are organizations that are inclusive, in the sense that they provide access to employment for rural women as well as men, some of them still involve demanding, physical work. Such circumstances are, in many cases, due to poor infrastructure and the lack of resources to upgrade their facilities. As a woman in a fisheries co-op stated:

> Working here in the Union there is a week where I work 4 or 5 shifts, and then I am able to go home. It gives you time to work and be with your family. My quality of life is regular, because in order to obtain that outcome, one has to engage in physically demanding labour. There are things that are missing here for the organization. If we had more things, then we wouldn't get physically damaged. We need more boats, transport to carry the product from the beach, because this is where we get physically devastated; the majority working here are women. (Labour Union Molulco)

Other organizations, such as the women's artisans groups and the health centers, encourage women to develop new knowledge and capacities. Women hold jobs that, in many cases, help them to develop skills and personal development. Many of them stated that although more needs to be done in terms of women's rights, they feel they have gained some rights. They have improved some aspects of personal development, and feel positive about being able to contribute to household expenses. In many cases, one of their best contributions begins at home. These women feel that they are able to contribute to their families in two ways. One way is by helping their husbands to carry the family's household expenses, and the other is their children's education, by helping to pay for associated education expenditures. Others stated that their businesses have

been rather therapeutic, and have offered them spaces where they can meet with other women, and take a break from their normal routines.

At the community level, one of the main benefits of engaging in SEs, has been women's capacity to participate in community development. It was observed and also stated by some of the male participants and government agencies, that women provide significant contributions, not only to businesses but also to community development. They were characterized, in many cases, as very responsible and committed. Some of the participants stated that integration of women into local organizations has constituted one of their greatest pillars of support. Women described work as a space where they have learned about solidarity and community, which they consider might have been difficult to find in other spaces.

> Absolutely, for me one of the great pillars that has existed, at least in my personal development, has been the organization. I feel that the organization has given me a home with a roof to protect me … to develop a series of things, to cultivate what is solidarity, to cultivate what is community. In any other space I do not know if they would give me this, or, if alone whether I could have been able to achieve it. I believe that vocation has been one of the things, for many; I think that it has been a tremendous support for personal development, for the defence of rights to stand in a space, and to not allow them to take advantage of you, and having the ability to interact with your peers and share the experience, your experience of life in relation to how the organization is relevant. (Rayen Kuyen)

Rayen Kuyen is a social enterprise that serves women. According to the participant, women who engaged in the organization prior to its incorporation were used to participating in indigenous organizations where their roles were based on

gender roles (cooking, etc.); and where, according to them, issues particular to women were never touched. Rayen Kuyen, therefore, formed with the aim to address women's particular interests in cultural survival, indigenous rights and health. Rayen Kuyen places a strong emphasis on women because women are perceived to be the principal resource for indigenous cultural perpetuation. In this sense, women's relation to family extends to cultural education. Rayen Kuyen is linked with educational institutions, at least in their community, where they have a kindergarten that teaches indigenous knowledge and language.

Strengthening Local Skills and Gaining New Ones

It has been referred to by Bornschlegl (2011, p. 27), that economic development led by the aquaculture industry changed aspects of cultural capital, with "new knowledge" becoming the dominant cultural capital. However, it is well acknowledged that the industry did not provide opportunities for local workers to gain higher skills, nor to improve their income opportunities beyond the level of basic labourers (Bornschlegl, 2011; Barrett *et al.*, 2002; Pinto, 2007). According to Bornschlegl (2011), higher positions were generally filled by qualified people from outside Chiloé, while the local labour force occupied mostly the low salaried positions. Although the industry provided courses, it is said that they were seen rather as ''window-dressing'', designed to give the company a good public relations image rather than to train the workers and provide them with the skills that could lead to greater job security and prospects (Barrett *et al.*, 2002, p. 1960).

Such management strategies are said to have facilitated the establishment of the salmon industry. Several authors have stated that Chilote men and women are still generally unskilled workers (Bornschlegl, 2011; Barrett *et al.*, 2002, PLADECO Quinchao, 2009-2012). While women have increased their engagement in technical jobs, it is a minor increase.

For the various participants who have become engaged in co-ops, artisanal groups, labour centers and other community groups, one of the greatest impacts has been their ability to generate income, and the development of other personal skills. Although the majority have low levels of education, their ability to communicate has improved. Their marginalized status has forced them to improve their skills in order to finance their projects. Co-ops with limited funding that are moving forward have encouraged their personnel to formulate applications, administer activities and in some cases, market their production in new venues. However, many organizations that were forced into this exhausting process[53] shrank to a limited number of more committed members (usually 12-15).

Many of the organizations studied stated that one of the most rewarding benefits gained from the external support they have attracted is the opportunity to convene with business organizations similar to their own, where they are able to meet new people and learn from diverse experiences— "the sharing of learning experiences." For these groups, sharing or integrating the experiences of other

[53] Some of the members refer to constant meetings, traveling to different places, and investment from their own pockets.

people into their lives represents a meaningful opportunity for personal development.

> We have offered internships, for example, in Quinchao Island, Caguach Island, and Temuco. We have strengthened the Compu Health Committee; we have made proposals of health together with them. With the Ancud organizations, supports have been realized; with the Chanquin islands, cultural support to strengthen the cultural matrix…they come here, or some *lamien* [means sister in Mapudungun, or Williche indigenous language] go down there, for example. When someone comes here to know about our experience, all the experience is delivered to them. What is being used is the *Chafun* [traditional meeting place]. It is a conversation, it is not a written topic because we're still using the oral tradition to pass on knowledge. (Rayen Kuyen)

In many cases, having a more diverse membership (e.g. including women and youth or new migrants) not only encourages members to acquired experience on the job, but also allows the organization to take advantage of a wider range of skills. For example, Ms. Curumilla has played a key role in the success of co-ops (CET, 2012) such as Co-operative Punta Chilén. Ms. Curumilla joined the organization around the time the co-operative was being supported by AGROCHILE. Her goal was to engage in training and gain experience in management. From their perspective:

> She took up the challenge to lead the process of conversion towards a business that could respond to the demands for quality imposed by the market, to generate networks and the marketing spaces for the processed products, which are fundamental for the organization. (CET, 2012, p. 10)

This road to success is a common characteristic of other third sector initiatives that are moving forward. For example, in the Fishermen's Labour Union of Molulco the president is a young leader who has kept the organization motivated and working "in an orderly manner." The president of Punta Chilén Co-op also highlighted the importance of the inclusion of youth, both in the development of the co-op and the community (Hernán Barría, as cited in CET, 2012). In the case of the health centers, the WCC build up a more diverse group of skilled stakeholders, whereas Rayen Kuyen encouraged their existing members to acquire better levels of education and looked for grants to improve their skills.

In short, unlike the salmon industry, social enterprise organizations were found to assist people to improve their cultural capital. SEs in Chiloé, while they are small in scale and quantity, they are nevertheless inclusive, allowing access to employment for various groups of people, some of whom possess higher level of education, leadership skills or new ideas. However, it was also common to see these types of organizations sharing what they call experiential knowledge. Experiential knowledge comes from people who may be skilled or experienced but not highly educated. Their members develop knowledge—sharing skills to better empower their communities to overcome aspects of social and spatial marginalization.

Preserving Traditional Practices and Cultural Identity

One of the benefits of Chiloé's geographical location and marginal position in relation to the rest of Chile was the development of a strong cultural identity, which still evident today. The distinctive architecture,[54] along with cultural practices fostered through centuries make Chiloé a place distinct from mainland Chile. Although there is a process of modernization in Chiloé that devalues skills related to forestry, agriculture and artisanal fisheries, the island still has a strong reliance on traditional practices. Maintenance of culture and traditions is a unifying force that is instrumental for successful community projects. In Chiloé, small agricultural holdings still support the majority of rural farm workers on the island (Salières *et al.*, 2005). Many interview participants in this study were engaged in traditional livelihood activities of their territory, following family practices:

> I have been working here for about 5 years. I started coming with my parents, because they were founding members. A person becomes a partner [member of the labour union] when you obtain the credentials of a fishermen or algueros [seaweed harvester]. You are registered with Serna Pesca [Institutional fisheries entity] and then you become a partner. In my house my dad began working in the Organization and I followed him to it. I watched him and I always went to meetings with him, and I've always liked the organization. I was working by that time [in another job] but I wanted to join the organization when my brother started, to support them [her family]. I became a member also as an employment option. (Labour Union Molulco)

[54]Chiloé has a distinct denomination (By UNESCO in 2000) as a territory of world heritage sites because of its wooden churches.

There were some participants who have found strategies to add cultural value to their commercial activities, while preserving and maintaining those local activities as well as ancestral techniques of production. These groups take advantage of local biodiversity, especially through activities related to: marine harvesting, natural fibers, fruits, crafts, medicinal plants, organic farming and cooking, and forests.

> We have to try to recover ancestral practices. We are trying to highlight the ancestral attributes of our product, to show that it comes from an island located in the *austral* hemisphere of the world. We show that our product comes from the *Patagonia.* In Europe and the United States, they know about the Patagonia; and they relate it with a place that is clean, with fresh air. We have engrained these attributes into our brand "Chiloé gourmet product of Patagonia." In addition, we are trying to link our product more with the indigenous theme, emphasizing that! …we are including the hereditary theme of Chiloé's ancestral practices, because we do not use herbicides or pesticides. More than the gourmet theme [that they are promoting], is the theme of the Chilean product with cultural identity. This is something that no one can easily replicate, the theme of cultural identity, of Chiloé's ancestral practices, and all that… In fact we have it in our logo, the indigenous theme, the theme that we are located on an island, and are small farmers, who somehow have managed to have a plant [small processing plant] that although belongs to small farmers, meets high sanitary standards…that although we are small, we have managed to professionalize in some areas and we have done it well. And all that is relevant. (Co-operative Punta Chilén)

The artisans' group stated that those crafts with strong Williche identity are the ones that sell the best. Those engaged in agricultural activities, despite scarce resources, stated that Chiloé is well known for the use of organic fertilizers and thus, they prefer to adopt those practices. The fact that it offers them a way to

generate income encourages them to reinforce and better maintain their traditions.

Other participants are strongly embedded in the preservation of cultural practices but at the same time promote the strengthening of cultural heritage. For example, the Mapu Ñuke and Rayen Kuyen health centers have had a tremendous impact, especially on indigenous communities. The health centers emerged in response to particular needs of people who not only faced general issues of health common to the larger society, but also issues originating in their ethnic identities. Therefore, the SEs formed in the realm of health are not only searching for alternatives that contribute beneficially to their communities, but they are also looking for entrepreneurial and innovative avenues that provide solutions to indigenous peoples' particular demands. Strong SEs have emerged from indigenous communities, where healthcare focuses on cultural dimensions of health. They are trying to bridge the gap between Western medicine and traditional knowledge (alternative medicine featuring indigenous practices and medicinal herbs). As the participant from the WCC health center stated, their approach was born because indigenous communities were dying due to their lack of comprehension of positivistic Western medicinal practices:

> Health teams [Western medicine] realized that people didn't trust their medicine, and that they were not taking them, and that people were not only getting sick but that they also were dying…In areas of chronic disease, mental health, the issue of diabetes, high blood pressure… high cholesterol. (ICHCP)

While Western practices focused on symptoms of pain in the short term, the WCC undertakes a more holistic approach and focuses on the person's history and background, integrating both western and alternative medicine, with a strong focus on traditional practices. Both participants stated that their aims were not only health but also to help people to strengthen their identity and regain their dignity.

> Our Healing Center is dedicated to addressing women's health issues, using ancestral techniques; la ventosa, massages, herbs. We have a traditional healer making preparations that are more directed to treating ''culture-related diseases'', and in general, other ailments. And that is linked to trying to strengthen other experiences, with the children's Garden at Weketrumao. Then what we try is to work… very low profile, linking social development, indigenous development and the development of women, with education. This is to prepare the foundation so that, in this case, the children feel proud and not ashamed or discriminated against because of their origins. On the contrary, it is a plus that will help you to face being indigenous, to be Williche. Especially in Chiloé, Williche population is high, but also the poorest. But as probably in all the countries of Latin America, native peoples are always at the margin of "el desarrollo digno" [dignified development]. (Rayen Kuyen)

When the health centers talk about the reinforcement of cultural experiences, this refers to traditional practices such as treatments using medicinal herbs. They have a traditional healer (similar to a doctor for Western medicine) who uses traditional techniques. They are linked up with the kindergarden on Weketrumao to offer teachings to children. They speak about the practice of *trafkintu*,[55] which is an economic exchange or barter, and about *We tripantu*[56]

[55] Also known as *chauki* or *trueque*.This may include, for example, providing aid when a person is sick and needs help to perform their usual activities.
[56]Also known as *Wetxipantu, We-tripantu, We tripantü, We txipantu, We thripantu or Tri Tripantu.* This is

ceremonies around the New Year or the return of the sun (*Tri*: new, *tripan***:** to come out, *Antü*: sun) (Milesi García, 2012, 40).The Rayen Kuyen informant spoke about the preparation of the soil (land), to get it ready for the *We tripantu* ceremony of 24 June. This marks the renewal of nature and the start of the planting season. The *Wetripantu* is the winter solstice, the shortest day of the year, and it corresponds to the beginning of the coldest time of the year. The Williche celebrate the *Wetripantu*, by proclaiming their gratitude to mother earth, (*Mapu Ñuke* or mother earth in the Williche language, Mapudungun). Through this ceremony, people's resolve to protect their environment becomes greater and more meaningful. The concerns of the Williche have grown since they have been the ones experiencing the environmental and social consequences brought by recent unsustainable development practices.

Empowerment and Inclusion in Civil Society

There is a tendency towards collaboration of individuals to form different kinds of organizations; however, it is limited and in some cases, weak. It was recorded by Bornschlegl, (2011, p. 35) that between 1990 and 2009 there was an increase in the level of participation of both men and women in political and non-political organizations. Although their participation increased in quantitative terms, it diminished over the years in terms of its quality (men participation reduced from 69% to 61%, and women from 51% to 43%) (Ibid., p. 34) This explained the

the new year of the Mapuche, generating a new cycle in the Mapuche cosmology.

decrease in membership for many organizations, including co-ops. However participation in groups can establish avenues for co-operation and provides benefits other than income. It was noted that those organizations that were both formally constituted and legitimate in their collaborative efforts were more successful. The health centers and others closer to the social enterprise model were characterized by strong collaborative efforts, allowing the development of trust. Through their collaborative efforts, they were able to generate outcomes within their organizational constituencies and in some cases reached social goals outside mere income interests.

> Everything that we have: the land, the processing plant, equipment, we have financed it with projects and with a proper contribution...it has been generated from the same business sale. This is an effort by people that have been constantly there [for reasons] beyond the mere resources [wages or incomes]. Because it's a small company, it isn't yet self-sustaining…salaries are low, minimum wage. It requires that you have a passion for what you do, and it is also a social commitment. We all need remunerations to be able to live, but that is not what motivates me in the co-operative because the remunerations are very low. We have been gradually improving all aspects of the co-operative. Well, this also makes people carry on and believe that the business is feasible.Now, after 14 years, we have already overcome the issue of infrastructure, machinery and we are in the stage only to find and develop perhaps other products and also the market. (Co-operative Punta Chilén)

Even if their goal was only integration of employment, in this case for Co-operative Punta Chilén of fishermen and farmer, secondary outcomes were revealed. While Co-operative Punta Chilén relied on state base support during their start-up phase, similar to Co-op Lemuy and Co-operative Limitado. Co-operative Punta, described that they stopped receiving technical assistance in

2009. Despite this they develop a more sustainable internal structure while developing alliances with other coops. They explained that by the time of the interview they just joined other organic producers. They are also collaborating with other firms in the region to form professional associations (‘Asociaciones Gremiales’). The cooperative also would apply for professional training for their members’ production. This type of initiatives, are developing collaboration between their membership and among other groups that share similar experiences, allowing access to self-employment, building trust, while empowering collective action to overcome market inequalities.

Environmental Management and Protection

An important aspect of empowerment is to gain control over natural resources. The collective efforts of rural organizations and the empowerment of people through being able to collectively voice their opinions, have allowed Chilote people to actively protest environmental degradation caused by current development. The fisheries union work to establish marine management in their territories, and current efforts are oriented to gain a zone reserved for artisanal fishermen. In the case of Fisheries Management, some labour unions are acquiring fishing concessions so they can better maintain and manage their marine resources. Labour Union Molulco, for example, distributes fishing rights and quotas among their members without surpassing the level of extraction

determined by the assembly to be sustainable. This is an interesting parallel to the efforts of some of lobster fishers in Maine who have co-managed their resources for generations.

> Over here we follow the rules, that is good for us, because our resources are not exploited that much, therefore we are able to maintain them for years to come. We have years working on this and we still maintain a good harvest of *pelillo* [seaweed]. We respect the norms; there is also respect from one person to another in the trade union. We could be on bad terms outside the organization but here we have to get along. This applies to our resources also. We have to respect it because otherwise we won't have bread for tomorrow. I hope others could establish something similar to our organization [establishing a similar organization with similar norms of work and conduct]. I think that we are working very well, in an orderly manner and respecting each other, and not just because you are brothers or some other family member. One always has to have respect from above and vice versa. The person who is above us has to respect us, as members of the assembly…our opinions, and so far it has been done. In the Labour Union they fish, harvest, and collect many resources from the sea in an orderly manner and more than anything, so that the resources are not extinguished. And it is recorded, and one has to meet a certain amount of kilos, and we don't exceed that amount. (Labour Union Molulco)

The fishers' union also maintains surveillance to protect the fishing area from external intruders. Artisanal fishermen in Achao explained that one of their main concerns about the "pesca de arrastre" (industrial fishery) is the way in which marine resources are extracted by draggers that sweep up everything in their path. Artisanal fishermen are trying to establish a marine reserve zone to protect areas that, according to them, have drastically changed and are being negatively impacted since the inception of industrial fishing and aquaculture.

Most of the participants' livelihoods are linked to traditional or artisanal fishing, agriculture, and forestry. People's engagement in issues around environmental practices, corresponds in many cases to the direct relationship of food production to local economies. Mojica (2010, p. 4) states that rural places "are more sensitive to environmental damage because they rely on natural products for survival," while workers in urban centers "are more willing to accept environmental degradation in return for these luxuries." In fact, nearly two-thirds (63%) of rural self-supply is agricultural products (crops, grazing, honey production, etc.) and another 27 percent is firewood. Many rural people are subsistence farmers working on small farms with an average size of 15 hectares (CET, 2007, p. 3). Small-scale farmers represent the bulk of the rural population on the islands (Salières *et al.* 2005; PLADECO Quinchao (2009-2012); PLADECO Curaco de Vélez, n. d.). The rural areas' relative economic independence, coupled with their reliance on the environment for sustenance, would seem to make them formidable champions of the environment.

While agricultural production in Chile has nearly tripled since 1970 due to a set of political conditions that favoured foreign investment, technological transfers, as well as massive imports and use of purchased agrochemical inputs, such growth has had an ecological and social cost (Altieri & Rojas, 1999). As monocultures expand, this increases the potential for soil erosion and results in a growing reliance on chemical fertilizers and pesticides. The widespread use of agrochemicals has negative implications for human health, food safety and environmental quality (Ibid., p. 62). However, farmers in Chiloé are less reliant on

chemical inputs, and prefer freely available local organic fertilizers. They depend on organic fertilizers because of affordability, and it has become part of their marketing strategy as people recognize their production practices. According to Altieri *&*Rojas (1999) they "take advantage of naturally occurring interactions for pest control and soil fertility."

In Chiloé farmers emphasize practices such as crop rotation, intercropping, cover crops, green manure, etc. – all practices that enhance biological interactions that benefit productivity (Altieri 1994 in Altieri *&* Rojas 1999, p. 69). While there are some crops (e.g. broccoli and cauliflower) that are more dependent on chemicals than others, alternative pest control strategies enable sustainable practices and reduction of pesticides (low-input pest control) and the associated pollution. Crops such as wheat, carrots, potatoes, and peas are grown with minimal chemicals. Fruits are considered pest free crops that offer high potential for organic management, and represent prime candidates for implementing sustainable, low-input management practices (Ibid.).

Those engaged in agricultural activities, despite scarce resources, are valuing Chiloé distinction as a territory of organic fertilizers and thus, they prefer to adopt those practices.

> Chiloé Island received a seal, given by SIPAM (Ingenious System of World Agricultural Heritage) and only seven seals were placed worldwide, in Peru, Chiloé, Philippines… Chiloé has preserved ancestral practices. For many years an organization worked for the Chiloé seal assignation and it was granted, and now we want to take advantage of the seal, to be able to certify our products with the seal. Then the Chilean state has to make its contribution so that more organizations somehow can continue producing organically, and so

> that other farmers may switch to agro-ecological farming, because that's what the seal supports: fewer pesticides, fewer herbicides, ingenious ways to recover things that were used before, because in some way, they also produced, and did it well. Then we have to try to recover ancestral practices. For example, there should be a sign with the seal…for the whole world to know that you are entering a place that is an agricultural heritage. Chiloé was declared as a world agricultural heritage site, so it is something super relevant. (Co-operative Punta Chilén)

In this study, it was observed that while some agricultural co-ops mentioned the use of fertilizers for their production, others are moving towards organic farming. The Co-operative Punta Chilén noted the significance of the Globally Important Agricultural Heritage System (GIAHS) which has recognized the traditional agricultural practices of Chiloé. While there is little knowledge of this status among individual agricultural producers, organizations such as Co-operative Punta Chilén emphasize its importance and disseminate information about it, to encourage local and national authorities to maintain this status.

Contributions of Social Enterprises in the Maine Islands

In contrast with the SEs on the islands of Chile, SEs in the Penobscot Bay of Maine emerged from community efforts and community-based initiatives whose aims involved explicit community benefits. However, there are cases where the people engaged in social enterprise to overcome marginalization and meet wellbeing aims. In Chiloé, people related health to material and non-material environments specific to their territorial characteristics, and indigenous heritage.

For Maine, general aspects for the community's quality of life[57] were connected to access and connections to the place's natural environments. Health is a condition related to place and community, but also there is a connection where wellbeing is found in social security and their freedom from want of basic necessities.

When they talked about having a good community, this represented how healthy they feel where they live, and it encompasses family ties, community ties, access to natural spaces, tranquility, freedom and security. It encompasses both physical and emotional aspects that are found within their island communities. There was not a single participant that didn't mention that they like to live in a place where they have more freedom, and live with (to some extent) less stress, having access to the sea or the forest—as they stated, being able to enjoy their connection to the place's natural environment, or being able to go outside and take a deep breath. The island, according to them, represents a unique lifestyle in both winter and summer.

For example, a participant from the Chamber of Commerce stated:

> Living in Vinalhaven is what makes me feel healthy and why I am here. My family is from here…the real connection or the relationship that I feel, and where I walk in the ocean…there is a real connection to this place. I feel rooted here, deeply rooted here. And it's not just because I can say my family has been here. That is the connection that I feel, that makes me feel healthy. I am a creative person and a lot of people that live here are, in a different way, from the lobstermen to the jeweller

[57] There was not a single participant that believed that their current level of wellbeing was medium, low or bad; all claimed a high level of quality of life.

> or an artist. I don't live in fear of our kids being abducted; the island is very safe. You leave the keys in the car, our doors are unlocked in the house; that's a good quality of life. The fact that people look each other in the eye, and that when you go by in a car everyone waves, that's quality of life. And the air we breathe is healthy. The natural beauty is physically healthy. But quality of life for me is physical and emotional. (Vinalhaven Chamber of Commerce)

When participants from Maine islands referred to community they related it in terms of peoples' interest in caring for one another. They talked about people participating, about sharing or co-operation, about people respecting one another regardless of differences, about not being a stranger as if they were living in a larger city.

> From the time I first came here, I fell in love with it! and you can call it romantic, but I always felt... I have been out here all summer painting [when she was younger] because I went to art school and one of the summers that I was in art school, my family was here, and I painted all summer. And when I went back to the school, one of my friends said "you have a definite palette; they are colors that you are comfortable with" and I felt that those colors were here. And it was the first time that I found any color in a community. There was not any vitality to the community that I was living in, at least not the way, I couldn't see it! A lot of my life was in the car! I don't happen to like that. I like touching the ground and going at that pace. We have people that come out here and they said "what a beautiful flower" and they are looking at the most common, easy to grow things and you realize they usually pass by the same flowers but never actually stopped to look at them. The fact that I am living close to nature in a beautiful place...I am living in a place and I am related to that place and I have a community. I am part of a community...I have a community that also is related to me...we are all related to one another, not just because we are humans living on the same planet, but because we share all the natural phenomena! I usually get up early in the morning and have a cup of coffee. And sit out on my front porch and write and just enjoy the quiet, until someone comes up and says "what type of chickens are those". I have a lot of personal freedom, I have a lot of respect in the community and for other community members, we are a community, I am part of a community. I was not really part of a community before, I had friends but they were

> in all different directions and my friends here I pass on the road, and while none of them might be my best friends, we share a lot. (Monhegan Island Farm Project)

This may reflect how SEs are considered as a more dynamic business entity on an island than on a mainland. For the participants, having a business that encompasses and takes into consideration those particular attributes that are important to their wellbeing, is of primary value.

> Social enterprises fall anywhere. Especially important, it's special everywhere but it ties into the small communities that don't have a lot of outfits. So if you have one business that encompasses that, it's going to be a more dynamic business here than it is even on the mainland, a big city where you have multiple organizations that can have that similar impact. My idea of what a social enterprise or social entrepreneurship is…it's a business or organization that works within a community, that creates more community but also creates a product that creates sustainability, that will help support that population economically. Socially it creates new community ties, something that creates two positives, one for the community and one hopefully economically as well to sustain itself…This property has been able to give back and put the entire old historic farm back to work. It's huge to this island, and I think it would give back over time. I think the possibilities are there and then I think there is going to be more community buy-in, a lot more collaboration. (Turner Farm)

SEs, for the participants, act as a social business or organization that works within a community, that builds social relationships, strengthening community values that collaborate to build community values of wellbeing.

Communities on the island of Vinalhaven, North Haven and Mohegan place strong emphasis on generating community benefits, and the forthcoming sections highlight some of the impacts that were found.

Figure 6.2 SEs Contributions Maine

Bridging Diverse Elements of the Community

Although the Maine islands have relatively small populations, some have decided to separate from larger (mainland) townships to create their own townships or plantations, with more local control. Such self-government requires that these communities work together with others to succeed. A participant from Monhegan mentioned that the key to success of Monhegan Associates is based on the community's local control, and the involvement of people in the affairs of the local community. According to a participant, the Monhegan community's effort,

to acquire a special fishing season was granted by state legislators because of the islanders' strong lobbying campaign. This legislation was a product of their community connections, and developed because the community values fishing. The participants stated that the necessity to work in co-operation is paramount for the islands, especially on islands with limited space and population, where issues of sustainability are a priority for community well-being.

While Island communities are invested in their sustainability, the participant from the Land Trust asserts that although there are strong efforts towards islands' sustainability, "given of the nature of modern political, social, technological, and cultural realities islands cannot be totally self-sufficient." Therefore, on an island it is intrinsically important that there exists a circulation of wealth flowing in from external communities. Moreover, the participant suggested that development is determined by what a community considers an important aspect for their quality of life. Maine's coastal islands are experiencing demographic structural shifts, making these islands vulnerable to gentrification processes that could impact the communities' organizational structures of self-management, and sustainability. Further, these changes, if positive for the overall wellbeing of the island and its residents, can be seen as constructive development, and when negative can be seen as reverse development.

This development process, in order to be positive, requires that a community is able to develop a dialogue for creating shared goals and objectives for the island's overall wellbeing. According to the participant from the North Haven Art and Enrichment Center, to address issues of sustainability, there has

to exist connection and interest within the community. In this vein, a participant stated that on the island it was important to provide a space for community engagement. The North Haven Art and Enrichment Center's efforts are somehow oriented, through their various activities, toward strengthening aspects of cohesiveness, facilitating civic engagement around matters of local interest.

> It was becoming easier for people to leave and do something entertaining, or do something interesting on the mainland. So, let's do something and keep the money in here. I mean, we are employing two people under Head Start. We employ several different people that clean and work at the coffee shop, that wouldn't be employed otherwise. So, in order to be sustainable, you have to have a year round community that really feels like they got something, and connection. You can't just go in your house and just stay there all winter, and feel good about it. You know, we are kind of social beings. We started doing senior coffee every Thursday morning. We have done senior coffee for 8 or 10 years. Then we started to do senior lunch, the first weekend every month, and there is this 80 years old lady that said "those are the only times I have gone out in a long time". (North Haven Arts& Enrichment Center)

This observation was supported by the ARC Café on Vinalhaven, which also develops opportunities for recreation integrated with educational activities. The participants from these SEs stated that their goals are to provide a range of activities that help connect members. Members are achieving this through participation in the various programs, by volunteering, and by being employed. The goal is to integrate the segment of the population that is less likely to participate with other different segments of the population and diverse economic classes. While many activities are oriented to include the full spectrum of the population, a strong focus is oriented towards the youth.

> The first set of people who founded and ran the ARC approached it quite differently; it was really a friend group thing. They never did feel the need for, or engage in, the type of outreach that would connect everybody in the community… Not to say that we have everybody supporting us and connected in support of our programs now, but everybody knows about us. We have a lot of support…. I think the way that they handled the realities was different. They formed a tight group that got together and did things together because that's what they wanted to do… there was never a listed program that was welcoming all comers to be taught a specific skill that might help them in their careers; that stuff didn't happen…We wanted to do things together, yes, but we also wanted to reach the percentage of the population that isn't coming out to do things together… that might not feel comfortable being part of a group… They might not feel like they have the time to contribute their volunteer hours, so we have turned it around a little bit and we've reached out very far and in every direction to the wealthiest and the poorest members of the population, the oldest and the youngest. (The ARC)

When people in the social enterprise organizations were asked about their affiliation or association, their responses were based on a broadly defined "relationship" that included salaried employees, voluntary workers, users, supporting organizations, local authorities, a dynamic collection of stakeholders and a strong network on and off the island. The SEs' stakeholders encompass all segments of the population, including year round residents (natives and non-natives), summer communities as well as mainland participants.

These diverse stakeholders are important for the required dialogue needed for integration. The capacity of communities to create unity is vital to positive outcomes. This point was mentioned by participants from the Land Trust who stated that there are different reasons why people band together. For one, people may share a vested interest in the economy, but also in the quality of the

environment (their ability to interact with the natural environment). Second, they unite to accomplish something they can't do individually. From their view, they can each do little pieces, but no individual has the power to protect social or environmental aspects that are meaningful to a community. Furthermore the interviewee explained that while the town might have the power to do some things, they are limited as to what they can and can't do because of the scope of municipal responsibilities and limited budgets. SEs as well as other civil society organizations represent spaces where people unite to achieve a common good, becoming agents to promote or preserve aspects of quality of life that are important to communities while overcoming marginalization experiences. When looking to SEs we see that they are organizations that promote the development of socially integrated communities and therefore can be an important asset for self-governance.

Sustainability

Participants often talk about the islands' sustainability when referring to economic development, especially for islands the size of those along the Maine coast. It is through local tax support that most infrastructure on the islands is sustained. The school, for example, is among one of the most valued educational service infrastructures. The participant from the school stated that the school is funded through local taxes but they also receive support from the Municipal, State and Federal governments and from local NGOs on the island. Islanders' concerns

not only speak to the islands' limited resources, but also to their strong dependence on a few resources, and low levels of diversification. Many participants have great concerns about the long term viability of their respective islands. One participant from the schools stated that they depend upon the local economy. On Vinalhaven, they are very dependent on the fishing and tourism industries. There is currently no manufacturing on the island, and if the fishing declines like the granite mining did it would definitely impact the schools and other areas of the economy. Participants note that one of the greatest impacts of local businesses is to maintain a circulation of money, that stays on the islands and helps sustain economic life.

It was mentioned on several occasions that whether people moved or stayed on the island depended on their connection to the island and its community, but in some cases, locally available service infrastructure was significant. The most cited among participants was the value they placed on their schools,

> We were in Alaska. Then we moved to Maine and we were in down east Maine (Ellsworth)… we lived there for 3 years. They shut the school down and we were like OK now! … They had big political issues, the town was fighting, it was weird, so my husband said "let's go look at this little island." We came out here, so we came here in 2004. The kids loved it. I saw the school and I haven't even seen schools like this on the mainland. Yeah, I know that's why we moved here. We took one look at the school, our kids were in third and fifth grade and they looked at the school, and they knew they were going to be leaving all their friends behind but they said "We'll move here". Our oldest boy is at Harvard this year, so I mean my attitude is well obviously the school here worked. There's a lot of great stuff for the kids... they're really nice here. (Island Community and Medical Services)

Another participant, born on the island, stated that although she grew up on the island she had to leave after high school. Every summer, she would come back to the island, design t-shirts and sell them in the 'flea market'. According to the owner, the jobs available to her did not suit her background, so when the opportunity came to start a business in a particular space, she knew that it was going to be an old-time candy counter. The participant stated that:

> unless you create something, you're working…You know, you've got to work with the fishermen, with the carpenter, at the grocery store, I mean there is... that's what's here. None of those things were really what I was wanting to do. (Go Fish)

The participant from Go Fish, now living on the island, graduated with a photography and psychology major, and opened a business on her own a month before she had her first child. Her business is set up as a sole proprietorship, but it does apply socially responsible practices. One of the main commonalities of these stories is that built infrastructure allows existing residents, new families, entrepreneurs or professionals to move to the islands, and by doing so, they directly or indirectly help to improve the already existing infrastructure, whether by contributing with taxes or by providing support to other organizations. The importance is not a mere coincidence or accident on Vinalhaven. It was referred to on various occasions that in the most isolated and remote areas, schools might have fewer than 10 students. The participant from The Monhegan Island Farm Project for example, stated that their school only goes up to grade 9, and at the time of the interview there were only three students enrolled in the school. They also had, at the time, a kindergarten with one girl enrolled in it. The schools, from

their view, constitute one of the main elements that a community needs in order to attract a new population and increase the number of taxpayers to sustain the island:

> If we don't have the school, then we won't have young families, and we won't have people. If we don't have enough people, then we can't keep the store going. If we don't have enough people we can't keep the post office going, we don't have enough people, you know! There won't be a conservation partner group, there wouldn't be a historical. The historical committee built a new historical and now you have always people interested in it. I think we started this positive thing. And then other people are like, cool! You know, non-profits bring a lot of business, they generate a lot of activity and business and interesting people. People in the community around non-profits, benefit! It's not a taking away; everything is a win-win. (North Haven Arts & Enrichment Center)

The superintendent of the school mentioned that Vinalhaven School is public education (grades k-12). The geographic coverage mainly encompasses Vinalhaven students, but they also have students from North Haven. Their main associates/affiliates are salaried employees (50 employees), voluntary workers, and supporting organizations. The school is mainly funded through local tax support; however they also receive support from the Municipal, State and Federal governments, and local NGOs. One participant recounted the importance of community support to the schools, and the value of the schools for the island residents;

> To build this new place [the school has been operating for about 75 years but recently got a new building] it required fundraising, it required vision, and it required community buy-in to understand that we are moving from one era to the next…now! In other school districts the State of Maine pays a lot of the bills. That's not true here...our biggest entity are the local voters, they fund almost all of this place and so they,

> every year, have to go through a budget process…Here our operating budget is 2½ million. Local residents supply about 2.4 million of that, almost all of it. The state and the feds supply another hundred and some thousand dollars, not much. This island has always valued its schools, its young people and its elderly. You know, it's very valued here among the families and the community. It's always taken care of them, this is a very caring island in that regard, and it has always supported a school… This is a whole new experience in this school; it's a beautiful building, it has plenty of space for the new programs they wanted and there was a big push among people 10-15 years ago to take that to the next level. At the new school, in particular, offers and is offering far more opportunities for learning and for art, music, drama, extra-curricular, sports, soccer, baseball, basketball, the drama, the play. We always have fundraisers for the graduating class, because each graduating class goes on a trip, usually overseas. This group is going to Puerto Rico; last year it was London, so it's a big…The difference today, I think, with the school, is that we have so much more to offer than there was just 10 years ago. The auditorium is just sensational for an island school of this size. Our drama program, our art program, our music program, our sports programs, our academic programs, you don't find that on most islands' schools, like, we have it here, we are lucky! From the old school we had somewhat limited programs to moving to the new era, and the new era included the idea that students don't just lobster, or work in granite, you know! That they will be moving on from here in pursuing different fields, which was the big cultural change I think. You have to have an educated work force and an educated community; you have to have economic viability and it has to be nearby, otherwise people leave and don't comeback. (The Vinalhaven School)

There have been outside supports coming from the state legislature, school associations, school superintendents and principal associations. Numerous professional development opportunities came through the Island Institute and other mainland agencies. On the island, the participant stated, that although there is support coming from different areas, two of the biggest supports come from PIE and the ARC.

PIE stands for the Parents and Islands Education who do a lot of fundraising to support the school. According to the participant, among the greatest supports coming from the ARC are the following,

> They work with some of our kids; they sponsor various workshops that our kids can take part in, workshops that all of our kids can participate in, and they are kind of interesting. They had one on music, science. I'm trying to think, one is on making bread I think, and just a series of different ones. The local growers…have been doing some lunches for our cafeteria! All local produce! So they have been involved with helping us with some of our meals. (The ARC)

While the schools reflect more closely one of the most important benefits that SEs can contribute to community, there are other SEs engaged in other important service provisions and that make similar contributions to community. On the islands, a modest but diversified and necessary number of services are operating. For example the health services in Vinalhaven include Family Practice Service, Emergency Medical Service, and Dental Services among others. According to Pude (2009, pp. 7-8), Maine islands' isolation from the mainland obliges communities to provide many of the services that are needed to sustain year round populations. Also, the elder care facility, along with other services provided from SEs, provide some of the most significant community contributions, similar to that of the school. The Electric Co-op[58] of Vinalhaven, created in 1975,

[58] The island is located about 12 miles from Rockland Maine. Initially, diesel generators powered the island and according to Purinton (2012), the cost would fluctuate from two to seven times the national average price. The island now has a 10 mile submarine cable, replaced in 2005. They also incorporated in 2009 a for-profit subsidiary Wind Project with support of various organizations, and according to Purinton (2012:5) "first year of operation produced 12,105 megawatt hours (MWh) and led to a 27% reduction in the energy portion of Fox Islands electric rates, a 15% overall rate decrease."

provides electricity to the Penobscot Bay islands of Vinalhaven and North Haven. According to the participant from the Fox Island Electric Co-op, the organization was formed by island residents in order to address some serious energy concerns within the community.[59] According to the participant, the recent wind project constitutes the largest community wind energy facility on the East Coast of the United States. All this constitutes some of the most important and basic infrastructure a community needs to function. But overall, they are envisioning the importance of diversification and recognizing the importance of new emerging fields, outside traditional practices. This comes as they have experienced a history of drastic economic changes, and have recognized their dependence on community support for viability. While residents have been able to have access to basic infrastructure services that may cover some of the most basic needs, some businesses such as Go Fish, have the opportunity to set up new business ideas, thanks to existing primary services infrastructure.

Entrepreneurial ideas are, in some cases, different from existing traditional livelihoods. They are giving the opportunity for those wishing to live on the island, to remain on the island, while allowing their communities to generate economic diversification and tax support.

[59]Initially it was a distributive based coop.

Provision of and Access to Affordable Services

There are important impacts from SEs in relation to proximity services. SEs support and/or make essential services available to communities in remote areas, thereby increasing their health. While the main goal of the Vinalhaven Eldercare Service is to allow senior residents to stay on the island, and age in place for the remainder of their days, it was narrated that having an elder care facility on the islands also gives the resident the ability to stay in places where they feel healthy, firstly because they are close to family members, and secondly because of their strong attachment to place. It was stated that residents' previous experiences made them realize the real need for a residential care facility. The participant explained that being outside the island represented an unfamiliar experience, a different culture for many elders. It was common for elders to move off the island; however experiences of trauma for both the elder and their families occurred. Such situations made them recognize the need for a residential care facility located on their island.

> Ivan Calderwood's wife had to go to a nursing home on the mainland, and he felt that that should never happen. Ivan willed his house and a group of citizens, concerned citizens, got together and formed a committee and became a non-profit, and that's how Ivan Calderwood Homestead came into existence… It's difficult for them to leave their home and come to the facility, but it's, it's tragic when they have to leave the island and go to the mainland. It's tragic for them…Well they are unhappy, they are depressed, and it's really very difficult. One of the major benefits for the organization, in being on the island, is found in terms of community support. Since an island resident doesn't have to leave the island and their families are closer to them, it makes an enormous impact in their elders' health. We have had people come

> from their own homes, and within a week or two, their physical condition and mental condition has improved greatly. Families can see a huge difference usually, than being home alone, to come here, you know! They are really well cared for, and there is all kinds of activities. (Vinalhaven Ivan Calderwood Homestead)

The participant also stated that having a good level of wellbeing means that residents are able to maintain the best life that they are physically capable of maintaining. That means that they are happy, well fed, safe in a warm comfortable environment, and they have activities that keep them stimulated.

In relation to the Vinalhaven, Island Community and Medical Services Center, Inc. the participant states that one of the greatest benefits has been their access to medical health care that, according to them, “covers the big scope”. From the field accounts and from participant observation, the program is also important since there exists on the island, residents that do not carry proper health insurance, or lack enough resources to acquire one. SEs, along with other third sector organizations, provide (and continuously improve) access to affordable services It allows residents to reduce their cost and time.

> What is nice about the health care center is that people don’t have to go to the mainland, we don’t have to send people over for little things, we have a full lab and a nurse, she can do all of the phlebotomy and everything right here. We have a licensed clinical social worker for behavioural health. We also service the outlying island of Matinicus, that’s part of our service area. There is a camera and a TV and so in a in a real emergency, it’s great. A doctor could be on site here, and actually have the TV screen and a doctor over in the emergency room somewhere else telling them what to do next, so there’s that…the licensed clinical social worker, she can see people, and provide services elsewhere. It’s kind of neat. The technology is all interfaced so that we get the lab results back. We can run a blood work and then someone can take a look at it over on the mainland, but the person

> didn't have to go over. Because it's a whole day, if you have to go for a one half hour, or even a 15 minute appointment; you go over, you have to spend a day. We have a lot of people with diabetes, and cardiovascular disease, and they have to have regular blood work done on a regular basis. So, what we can do is that blood work, and then let their specialist on the mainland know, then also our local providers check, you know, make sure that everybody is on board. So you get actually, probably a better health care. They get access to the dentist and the dentist, it's a little more expensive. It's 30, but still it's cheaper. The cost of the ticket for the ferry on this side, it's cheaper than if you buy it on the other side; if you buy it over there it is almost 50 dollars. If they don't have insurance and they don't qualify for any assistance, then it's, they have to pay for it out of pocket. Yeah, so it can really add up. (Community and Medical Services Center)

The health center provides health care to everybody on the island, either visiting or island residents. They provide services to the under- and uninsured, privately insured patients, Medicaid and Medicare patients. According to the participant, whenever there is a patient with income limitations, they help them find programs that would allow them to cover their services. Their services promote good health through prevention, outreach,[60] education and treatment with no cost. One of the advantages of the islands' population size has been their ability to follow people's health conditions closely, but also their coordination to operate efficiently. For example, first responders on the scene are well organized (EMS, fire department, and so on), and connected with the other organizations who work together to improve health services. This reduces costs, and allows for improvements as well as access to more programs.

In the area of renewable energy, the islands of Maine are providing

[60]It is geared towards balance, making the home safe, common cardiovascular diseases and diabetes. The health center also provides a substance abuse program for people that is of significant importance and that wasn't previously offered on the island. The participant stated that people with such issues have enough to do to change their life, without having to worry about taking the day off and going over to the mainland.

important examples of innovation in areas of accessibility. The participant from the co-op stated that, while it is difficult to say that they have contributed to cost reduction when compared to the Mainland, they have contributed enormously, overall.

> Reliable electric service is good and it's, in today's world, almost necessary, so, and we care about one another. You know our guys, our line guys, just, it doesn't matter if it's day or night… if it's snowing, if it's icing, whatever it is, they go, and they keep going until they have the job done. We have endeavoured to stabilize our electric rates by forming a subsidiary company to build and maintain a wind generation project. It was sized to meet our community's energy needs on an annual basis. The premise is that the electricity produced will be sold at a known and measurable cost and that each kWh produced is one that we will not have to purchase in the New England Power Pool which is subject to influences of propane, coal and other energy sources. Our energy prices are set for our entire membership. We sell our energy, it's calculated… each month, the price depending on what we buy for the winter, on what we buy from the pool. But that energy price is the same for every member, no matter where they live. (Electric Co-op of Vinalhaven)

Purinton (2012, p. 5) reported that the wind project on the islands was one of the largest and most important developments on the East Coast of the United States. The first year of operation[61] "led to a 27% reduction in the energy portion of Fox Islands electric rates, a 15% overall rate decrease". A grant was obtained from the State Energy Program to promote renewable resources, allowing 19.7 kW of solar electric capacity and 96 square feet of solar assisted domestic water heating was installed. The co-operative installed solar units for various non-profit entities at no cost (medical center, land trust, elder care home, schools on

[61] The first year of operation produced 12,105 megawatt hours (MWh).

Vinalhaven and North Haven). Within the State Low Income Assistance Program,[62] the co-op is assigned to pay a portion of money for low income assistance. According to the participant, this program provides a small community benefit by minimizing the cost of energy for low income families throughout the state. The Fox Island Electric Co-operative also supports the State's Voluntary Renewable Resource Fund, where members are invited to make a voluntary donation towards the Maine renewable resource fund.

Other important community outcomes are those coming from affordable housing programs founded by island residents. The only organization interviewed that supports affordable housing was The Monhegan Island Sustainable Community Association (MISCA).[63] MISCA and other non-profit organizations are engaged in specific development programs to achieve community aims.

From Income Incentives to Generation of New Cultural Capital

For some SEs, providing people with access to job opportunities constitutes one of their social aims. In some cases, vulnerable segments of the population are employed, or people who are generally excluded due to lack of access, experience or physical health. The participant from the ARC said that their endeavour is not solely the creation of employment, but also the building of

[62]State tariffs are imposed on all utilities in the state of Maine, based on their size and the number of people that are eligible for benefits or low income. Fox Electric provides .00145/cents for every kWh consumed to the State's Energy Conservation Fund.

[63]A tax deductable 501-c-3 organization, whose goals “aim to preserve the year-round culture of Monhegan Island by purchasing existing residential property on the Island and making it available to year-round Island residents at below-market prices in perpetuity.”

social connections within their communities which is related to cultural capital. It is especially important for ARC to provide work for people who are new entrants to the labour force. The ARC Café also offers a space for local growers to market their products to customer and partner with other community based organizations such as the Vinalhaven Food Pantry, and the Vinalhaven Public School. They also have developed stamps (the WIC or EBT) that low-income families can exchange for local vegetables. They offer free internet access 7 days a week, and consider that access to information is part of the social benefit provided. They generally employ 20 people in summer and about 3 in winter. Their staff includes management personnel (manager, assistant manager, program coordinator for the CLC, and ARC educator) and staff running the café (kitchen assistants, Café Assistants, dishwasher).

> Students come and work there. We do have them fill out an application but we've never refused anybody... Many of the students that start with us, it's their first job. Some, it's their only job, and so the benefit to them is a very welcoming environment where they are greeted and they are given support in their development. They are not criticized for any mistakes; it's all called learning. So we all are doing it together, so we are very relaxed and welcoming to young people and that gives them an opportunity to make the personal connection with an older community member, start to build ties across the generations, see how things are run, take ownership of their own food supply, their own economy. We have created an income option for farmers to sell their food at retail price. When they sell it they get full value, but they don't have to be there standing and serving the customers themselves. We see the benefit to the low income families that are able to use their state food stamps vouchers for locally produced vegetables. We see it just from the regular customers who have products on offer that were not on offer a year ago. There's a handful of social benefits: income for farmers; access to local food for consumers; access to food for low income families; training and mentoring and making connections for students. There are also volunteer opportunities for older people, and

> there are also community classes, where we teach people of all ages how to cook local foods, raw foods, how to make good meals with them and how to preserve things like jams or sauerkraut, cabbage, how to butcher your own deer if you've gone hunting and shot one, how to make most of the meat. So there is a lot of social benefit going. (The ARC)

Some of the programs the ARC provides teach academic subjects, job skills and healthy life style. These are generally oriented to the wider community. Classes and workshops are oriented towards basic management skills for sustainable businesses, entrepreneurship and self-presentation. The ARC also provides programs in the hard sciences to provide academic enrichment.

Other SEs promote the valuable traditional livelihood knowledge and practices and often make available hands-on programs. Examples are the Monhegan Farm Project and the Turner Farm's summer camps for school children.

> We do a lot of school visits and a lot of community outreach, just through the school; we had the pre-school visit just last week. We usually have 3 to 4 School groups out a year, and then we have taken the program into the school. We have summer camp, like a farm camp in the summer, 3 day in the summer. I think it's just, keep kids on farms, make them realize that there is a farm in the community, that it's fun, and the food comes from farms, even though sometimes they don't see that. So, it's not like reaching goals, but so kids enjoy these places. I think that there is more we can do on that level for high school students ready to work. We have recent high school graduates working out here… we definitely can do a lot more on the education front once our farm is up and running a lot more smoothly. (Turner Farm)

Consequently, SEs' important impacts are not only based on the generation of income incentives, but are found in the embedded generation of

cultural capital. The generation of cultural capital is manifested in different areas and on different scales. It appears that the mere interaction of actors engaged in SEs stimulates development of cultural capital and active participation adds value to the job.

Compared to Chile, the SEs on the islands of Maine have a greater wealth of stakeholders coming from diverse and rich backgrounds, and more diverse community participation. An interesting aspect of the stakeholders engaged, for example, in the ARC is that they have varied higher educational backgrounds: physiology, sociology, and varied experience (e.g. director/producer, motivational speaker, writer, lifetime advocate and fund raiser). Students bring also a significant value to the organization. More than 100 past and present volunteers have supported it. They may be year round islanders or seasonal residents; some live off the island but have emotional attachment to the island or the ARC initiative; others are local businesses supporting community based organizations. The types of volunteers and support are very diverse. This was a common characteristic for the SEs in the three islands of Maine. The levels of education reached by the islands' residents are generally high. Professional skills generated through modern education are important, and those skills acquired through life experiences were also very valued. It was discussed by the superintendent of the Vinalhaven School that when living on an island with a small population, you have to learn community social skills. Others referred to situations that were common on the islands but not in urban centers. This refers to the 'wilderness experience'

where children learn about and experience nature, while developing self-confidence and the ability to work with others.

> We have a summer program that we call “walks and talks”, and so there are a dozen or so walks, and they all have themes. So we took some people out and showed them old stone walls and talked about what stone walls are doing running through the woods and different styles of building walls, and all the history that was associated with them. And we take bird walks, and we took a trip over to the oyster farm on North Haven, that was in collaboration with the North Haven Conservation Partners organization, which is a land trust over there. It’s now based partly in Rockland, but has programs in various other parts of the country. The idea is to use wilderness experiences as a way to challenge people to develop skills that used to be common skills, but are often not now, for people who grow up in urban areas. And so it develops the ability to deal with unfamiliar situations, self-confidence. It was mostly focused on learning to handle small boats and rock climbing and things like that. There is a quarry out there with a sheer rock face and the kids would learn how to develop the ability to work with other groups of people, to be dependent on others and to... you know, support other people who were dependent on them. (Vinalhaven Land Trust Participant)

It would be a mistake to say that people of the island only have life-skills, while summer residents have professional skills. Over time, great percentages of people living on the islands have acquired higher educational levels. With regards to life-skills, it is said among islanders, “the traditional island way is to do a little of this and a little of that” (Thorndike, 2005, p. 108). It is common on the islands of Maine to find residents involved “in as many as six or seven jobs” (Island Institute, Sustaining Year Islands Communities, p. 31). Most of the people that moved to the islands, however, have some specific education, and different life experiences. The blending together of stakeholders’ capabilities and skills has been a significant resource for SEs. There are many people engaged in SEs on

the Maine Islands. Furthermore, in Maine, as well as in Chile (in relation to the Aquaculture industries), seasonal employment opportunities are generally low skilled jobs. It is important for the island to maintain other spaces where adults and residents can share and develop higher cultural skills. SEs and other third sector organizations established on the islands were found to be providing such spaces.

Bridging and Bonding

Many of the organizations, especially in Maine, are recognized and valued for building relationships and networks, both within and outside the islands' boundaries. While many of these organizations take ownership and pride in the self-management of their resources, there is important external support from other organizations. For example, a participant from the elder care facility explained how local and external support is vital to their survival,

> The medical center, the medical center is vital to us; without them we have a really hard time, the fire department, the ambulance, the volunteers, the community itself without their support we wouldn't make it. Well, funding! We have to have our funding; our funding from the state, if we don't have funding we are not going to be able to continue …it cost a lot. Our mission is to allow people to age in place, we are not a nursing home, we don't get reimbursed as a nursing home, and we get reimbursed as an assisted living facility. When someone progresses in their needs we have to have more staff and we do not get funding for that, but if we lost our funding, then we would have a very difficult time continuing and I am not sure if we could. Our assistance from Kno-Wal-Lin Home Care they provide therapies from Kno-Wal-Lin Home Care in Rockland. Actually that gentleman is a Kno-Wal-Lin nurse; he comes here twice a week and sees that patient. They

> are vital, their often around. Our pharmacy, our pharmacy works very well with us; they are very helpful and cooperative with us. (Vinalhaven Ivan Calderwood Homestead)

The Island Community Medical Service also expressed similar accounts in relation to internal and external support. While local medical services reinforce the support coming from the Residential Home Facility, off island the health center receives support from the Maine Primary Care Association, that provide access to grants and other, non-financial support. As well as assistance coming from Kno-Wal-Lin which stands for the Knox, Waldo and Lincoln counties. It was explained by both the Island Community Medical Service and the Residential Home Facility that one of the advantages of the islands' size is often found in the area of coordination. Their level of coordination corresponds to the access and links formed by their networks both on and off the islands. Their coordination facilitates the logistics and helps to mitigate their overall cost. It was explained earlier by other participants such as the ARC participant, that due to the islands' seasonal economy the organizations become more charitable in winter. While the organizations make strong efforts to be self-sustaining, they acknowledge the significance of support from outside the islands' boundaries. Therefore, these organizations are building avenues to strengthen their networks' relationships. Often they developed strong relationships through formal avenues, and make an important effort to improve and strengthen their relationships. Stakeholders, through their contributions of cultural capital, are able to develop strong internal formal structures that enable the formal and reliable relationships that allow these

organizations to grow and produce effective results. The Health Center for example, stated that while there are challenges due to internal politics, they are trying to improve their relationships with the emergency room doctors at Pen Bay. Overall the participants are really impressed with the level of support they get from various organizations.

Other SEs highlight the importance of resources that are available for start-up businesses, that often come from the similar experiences of organizations already established. The ARC, for example, stated that they learn a lot not only from non-profits but from other business organizations similar to them that are already established, and who also share similar double or triple bottom-line goals. They gained advice and insight from people in Portland, and they visit people in Maine and Pittsburgh to obtain valuable information about their processes of production, and farming practices. The Monhegan Farm Project, the Chamber of Commerce and the Vinalhaven School highlighted support coming from the Island Institute[64] located in Rockland Maine, which is dedicated to the well-being of Maine's small island communities and opens up avenues to educational and networking opportunities. Through their publications, such as The Working Waterfront, the Island Institute also encourages mainlanders to be proactive in supporting island businesses and services. Both the Monhegan Farm Project and the Turner Farm mentioned the MOFGA, which is the Maine Organic Farmers and

[64] While considered a controversial organization for some participants, they nevertheless state that the institute has implemented some successful program that have positively impact their organization such as the Island Fellows Program. The fellowship program offers recent grads the opportunity to gain hands on experience that allows them to actually apply their knowledge and skills that helps to build sustainable communities. One other beneficial program is the Sustainable Island conference, which is organized by the Island Institute and where issues of sustainability and economic vitality are discussed.

Gardeners Association. According to the Turner Farm, MOFGA is responsible for providing organic certification. According to them the organization does inspections, but MOFGA also works to keep them informed of “marketing wise and purchasing general agriculture information.” These organizations acknowledge the importance of bridging the islands’ resources using outside avenues. They mentioned that the relationships built positively impact their organizations, especially because of their islands’ population sizes and locations. Furthermore, they state that for them a key fundamental to their success depends on the continuity of these types of relationships that contribute to not only to the survival of the organizations, but also allow them to provide necessary and quality services.

Finally, an important resource for bridging and bonding are the seasonal residents and visitors who bring skills, knowledge and networks to the islands.

Sustainability and Environmental Management

The participant from the Land Trust of Vinalhaven stated that one of the main challenges for islands is based in their limited space. The increasing value of land makes the islands highly vulnerable to gentrification, that can lead to displacement of fishing communities which for have sustained these communities historically. It was also referred to that although tourism is becoming the prominent source of income on some islands, the resulting effects on carrying capacity could endanger an island’s ecosystem while changing the island’s entire landscape.

Such threats can overall, change the same qualities that allow communities to thrive on these islands and that are integral to people's quality of life,

> I think that the best thing about living out here is that you are living very close to nature, in an area where the land is not developed by man, and if you live here you know it benefits from that; you should help maintain that. There are two things that make Monhegan unique; one is the little cluster village and the community that keeps going, and the others, the wild land and the beautiful landscape that we have around here. The conservation, it's just, it's an effort for this community, it's just natural to be involved in it. In lobstering we have the only seasonal lobstering area in Maine. We have, you know, the conservation zone, and it's a special setup, an integral part of life, you couldn't live here and not be involved. (Monhegan Associates)

The participant explained that the influx of people coming to the island, while they represent a source of money, at the same time they represent a threat to the very resources they are trying to protect. The participant from the Vinalhaven Land Trust accentuates that their efforts include the conservation of island resources from increased development, to ensure there is no great imbalance or distortion to the current island ecosystems. Those natural resources include wildlife habitats and the water supply. Their efforts also aim at the conservation of the community's traditional qualities, including farming which has been a feature for almost 300 hundred years, and access to fishing. Other efforts, similar to Monhegan Associates', aim to secure access to and management of their resources; their goals include conservation. The commonality for these organizations is co-operation to address various community issues. As previously explained by the Monhegan Associates this type of integration often fosters the coordination of access to the wharf to get on and off the island, and access to fish

houses, due their physical limitations. Other limitations were the special rules on conservation, traps limits, trap days and safety standards. As the participant from the Monhegan Associate said, often this effort allows these communities to survive. A participant stated that the movement for preserving land also relates to their intention to preserve a way of life, not necessarily by maintaining it the way it was, but also allowing small communities to happen. Moreover they said there exists an interest in maintaining a friendly way of life, as a way to support community.

Environmental concerns and practices are also evident in organizations engaged in commercial activities. The participant from the North Haven Arts and Enrichment Center stated that their strategy is to reduce their summer events, so they can find a balance and at the same time concentrate on the best things they have to offer, because on the islands, “there are only so many people that an island the size of Mohegan can handle.” Organizations in Maine often had triple bottom lines but some were more inclined than others to promote environmental practices such as organic production, and the environmental education through workshops.

> We are not a double bottom line business that cares only about staying financially solvent, which just means don’t spend more than you earn in such a way that you go bankrupt… but you keep the cash flow functioning, so we do hold that bottom line. And on the profit end of things we are streamlining the cafe business so that it will eventually cover the entire cost of the organization! We hope! We do hold the social bottom line… so that’s the double. We are also concerned with the environment, so we are a triple bottom line business: social-environmental enterprises. So the triple bottom line businesses are the people, yes, and the profit, yes, but also the planet. (The ARC)

The Monhegan Island Farm Project is being part of the organization that are reviving traditional practices, in this case agriculture in areas where it was almost disappearing. Furthermore, they are using innovative practices that have surprised experts. The Farm Project emphasised that their practice is based on permaculture. As stated by the participant, this means a sustainable system that integrates environmental and ecological designs along with water resource management. These can be the best alternative practices for islands with limited space. The participant also stated that her interest was sparked by observations made by Matthew Simmons[65] at the Sustainable Island Conference hosted by the Island Institute, where she gained some important insights in relation to food production and supply.

> Matthew Simmons has said that 98 % of our food is oil; it is in the fertilizers, it is in the equipment that cultivates the fields, it is in the processing, "its 98% oil," and I said, if the average plate is 98 then ours is more than that because it comes down the peninsula in a truck, it gets on the boat, comes over here, the trucks takes it up to the store. We are trying not to use oil, we are trying to have carbon free vegetables, and there is no attempt to exporting. I mean, I would be more than satisfied if we can grow a portion of our food here, and that would be our goal. To grow a good healthy portion, right now it is a very small amount, but it's double. (The Monhegan Island Farm Project)

There is a great effort to support local farmers' organizations, especially those engaged in sustainable practices. Sustainable practices for many of the

[65] Matthew Simmons, a Founder of the Ocean Energy Institute presented in 2009 on "The Gulf of Maine: What Lies Beyond the Fossil Fuel Horizon" (http://www.islandinstitute.org/events/Sustainable-Island-Living-Conference-2009/13332/)

organizations interviewed include reduction of fossil fuel consumption, recycling, and composting. Such practices expand from the inside out, beginning with doing as much as possible locally, to minimize travel miles. When a supplier is located far from the island, double or triple bottom lines aims are considered, in accordance with the organization's mission, needs, and policies.

> On the planet side, we also compost everything compostable, which includes our disposable utensils that are made of potato starch, and our disposable cups that are made of recycled sugar cane fibre, lined with corn starch instead of plastic. Everything that we buy that can be recyclable, is… Everything that we buy that can be compostable, is… If we can get something … even if it costs a 125% of the same item on the mainland, we will buy it local. It's in our buying policy... We do things as locally as possible. We'll look in Knox county; if we can't get it in Knox county we'll look in the state of Maine; if we can't get it in Maine we'll look in New England; and for our coffee beans, we go as far as Guatemala and el Salvador. But that's to minimize the travel miles of the food so we burn less fossil fuels in getting them from where they are produced to where they are consumed. It's also to keep them as fresh as possible, and that's on the people side. But on the planet side, we are composting, we are recycling, we are getting things that are post-consumer recycled in the first place, we are getting things as locally as we possibly can, and all of our appliances are energy star certified, so we are using the least power that we can…Everything that we can do to be kind and gentle to the planet, that comes at the same level of: Are we making enough money to meet payroll? Are we training as many students as we've said we will? None of them is more important than the other. (The ARC)

Aspects of healthy nutrition or environmental consciousness produced by these dynamic organizations provide positive impacts for the entire community. A participant from Monhegan explained that there are various reasons to form these organizations: political reasons, ecological reasons, community reasons, personal reasons, and quality of life reasons. For one it was said that it lessens

the amount of responsibility the government has, by providing employment or self-employment through the creation of small local businesses or the creation of a healthy economy. They are creating sustainable conscious initiatives, while promoting healthy eating. At the same time they are making efforts in areas of food security and affordability, while reviving practices endangered by development. Overall SEs are engaging in aspects that are important to the communities' quality of life. One participant said that these types of movements (sustainable movements) are happening around the world but are happening in small communities. She felt enthusiastic about being part of such a movement within her community. Many of these initiatives furthermore, have received strong support from community residents. Most of the participants felt important contributing not only to their quality of life but also for those benefiting from it.

Similarities & Differences of SEs in Maine and Chiloé

Overall, Social Enterprises in Maine and Chiloé have important impacts. They were active in general areas of health, culture and identity, economic renewal and development aid, environment, education and training, recreation, research, food safety, advocacy and human rights. The SEs, especially those found in Maine, are engaged in commercial activities but also attain social and environmental goals by consciously adopting double or triple bottom lines. Impacts of SEs respond to each island's particular North and South context, in

many cases responding to the islands' particular experiences of marginalization. While Chiloé is transitioning to a modern politico-economic state, its remote small island communities still maintain and place strong value on traditional practices and social structures for production. Solidarity, self-help and mutual aid often characterize Chilean organizations. People's relations with their natural resources and livelihoods activities extend to spiritual relations rather than just levels of income.

In Chiloé, peoples' accounts articulate the insertion of entrepreneurial hybrid organizations that attain social and cultural goals while providing access to income generating opportunities. In Maine, concerns of sustainability and long term viability of islands drive community efforts to create SEs. The SEs on the islands are generally oriented to generate impacts at community level. Because it is from community interest that Maine SEs develop, their outcomes, even when focused on a particular segment of the population, respond to a general community interest.

The research focused on marginal peoples' experiences and how their lives have been affected by SEs. When looking at the impacts from an island perspective, there are important outcomes, according to Maine and Chiloé narratives. "Islandness," depicted as a state of mind or physical separation, is a constraint on two levels, isolation (separateness) and insularity (self-containment), although islands are never closed systems. Briguglio (1995) clearly manifests that not all islands are remote. Remoteness does however, increase problems of insularity, and vulnerability to marginalization (Gurum & Kollmair,

2005; Sommers et al., 1999). Marginalization experiences in Maine and Chiloé develop along the islands' particular North-South contexts, but there are also commonalities linked to islandness.

ESPON (2010) states that areas not attractive for the establishment of economic activities and/or keeping populations, will be challenged socio-economically and shrink along with their overall viability. EPSON (2009, p. 9) also states that Island characteristics such as small size, remoteness and isolation are not compatible with the attractiveness principles of the dominant development paradigm. Through natural and cultural assets, islands are seen to have potential for development. Insularity, nevertheless, is considered "as a permanent, natural feature that affects negatively, directly, and indirectly, island's attractiveness" (EPSON, 2010, p. 9). Such low levels of attractiveness are linked to political and cultural peripherality which "serves to cause divergent economic and demographic evolution" compared to mainlands (Ibid., p. 27). In this view, activities on islands are often challenged by a lack of economies of scale that is related to a limited variety and quantity of resources, and limited access to affordable transportation (Ibid.). In these senses, islands are generally characterized by low levels of infrastructure and services for enterprises and populations. The lack of development is the result of the islands' insularity (isolation and limited accessibility), but is also linked to aspects of economic marginalization associated to globalization processes and by the islands socio-economic and environmental constraint. Spilanis *et al.* (2012) showed that small

islands may have only basic services, while intermediate to higher services are available in bigger settlements.

In both Maine and Chiloé, issues of accessibility were commonly experienced. Limited accessibility corresponded not only with limited infrastructure but also with limited access to decision making processes. In both Maine and Chiloé, it was common to see SEs responding to these particular issues. Royle (2001) states that "availability of connectedness to access services required to cover needs not accessible on the island, and the destination where they are accessible, as well as related availability of overnight return from such destinations," are all important. Furthermore, when participants talked about the islands' long term viability and sustainability, it was noted that access to infrastructure services create valuable benefits to support community integration, because community integration encompasses one's physical presence in the community, social interactions, and psychological feelings of belonging(Wong and Solomon, in Farmer & Kilpatrick, 2009, p. 142). "In most developed countries the role of the third sector organizations, especially as their role as providers is concerned, is closely linked with the development of social services" (Evers & Laville, 2004). While perhaps more common for islands located in developing countries, social services impacts are also evident in Maine.

Spilanis *et al.* (2012) stated that in cases where islands are more self-sufficient (with medium or high services) even though remote in size and location, this reflects "efforts by local government". It is commonly perceived that "islands are costly areas for the public sector which has to provide infrastructure (e.g. ports

and services, transport, health, education, administration etc.,) even for a very small number of inhabitants" (EPSON, 2009, p. 10). However, in Maine islands that possess infrastructure services, such 'self- sufficiency' is often enabled by the corresponding civil engagement and the responses created through the third sector economy, rather than complete dependence on government. The islands of Chiloé experience a different infrastructure reality from those of Maine, but common developments brought by SE initiatives were found in the areas of health and education. Farmer *et al.* (2012, p. 1904) state that "rural health research has lacked the theoretical and practical tools to understand that, for small communities, service changes impact on service accessibility, but also community sustainability." In Maine, service provision by the Medical Health Center and the Senior Care Services at Ivan Calderwood Home, and in Chiloé, the integration of western medicine practices and indigenous knowledge, have proved, from participants accounts, to be some of the greatest benefits in relation to access to health and education. When SEs respond to the need for proximity and accessible services, in many cases they design their programs according to particular local needs. In the islands of Chile, where there are significant indigenous populations, the movement emerged particularly in response to the need to integrate territorial characteristics of culture and identity into healthcare.

Health institutions in rural communities are often seen as symbols of identity and sustainability (Kearns in Farmer & Kilpatrick, 2009, p. 1653). However, the development impacts of 'social services' by the third sector initiatives are not limited to health and social care. According to Evers & Laville

(2004, p. 237) social services “also includes services in the fields of culture and education.” The SEs, particularly in Maine, are not the only providers of services; they do partner with other existing institutions to facilitate and/or co-operate to promote the development of services. In Farmer *et al.* (2012) “the range of service change impacts on rural communities, and not ‘just’ on health services accessibility.” Prior, *et al.* (2010, p. 1137) show that health services are not unique in contributing added value in rural communities; they provide evidence of the added-value contributions of other rural institutions such as schools, banks, general stores, post offices and village halls. In Maine for example, The ARC community Center provides a clear example of a SE supporting an islands’ education institutions.

Because the Chiloé islands, when compared to Maine find themselves in a position of systemic marginalization, strong efforts of SE’s include hybrid aims. The principal aim is to provide access to dignified employment for particular groups of people—often vulnerable groups that might have been excluded from employment based on age, sex, ethnicity, physical ability or levels of education. This was particularly exemplified by the women whose participation in community and economic activities has increased. The women nevertheless still play a central role to the Chilote family structure. Social enterprises therefore are providing answers to people’s reluctance to engage in current development initiatives that have not improved people’s economic conditions nor their demands for quality of life. Similar contributions of SEs were found in Maine, where these initiatives improved residents’ health overall. SEs provide bridging services,

allowing residents to remain in areas where they feel rooted and connected, and where family is within close proximity. Furthermore, these organizations are generating programs according to residents' particular desires, integrating territorial characteristics of culture and identity into their programs.

On islands, employment opportunities were generated through the SEs. It would be difficult to say what percentage of the population is engaged in SEs, but on an island the size of Monhegan or the islands of Quinchao which are extremely remote and marginalized from employment opportunities, economic impacts of even small SE organizations become significant.

It was revealed by Sommers *et al.* (1999) that competitive inequalities related to contingent marginalization affect communities that are the least prepared to negotiate because of their unattractive locations, cultural restrictions, inadequate labour skills, lack of information systems and communications. In Chiloé's case, training provided by the aquaculture industry is seen as a "window-dressing" because there is no apparent improvement in workers' skills or incomes. In such situations opportunities provided by SE's to upgrade skills are very valuable. Specialization to develop social services often demands higher skilled management staff, but SEs were found to be providing not just employment for professionals but also, opportunities to others to build skills. Therefore generation of income should not be seen as the only benefit; skills development and access to cultural capital are equally or more important. Development of cultural capital in both Maine and Chiloé can be described in terms of increasing the peoples' resourcefulness, but also by the integration and inclusion of diverse stakeholders.

In Maine, encouragement of modern education, community social skills, and the experiential learning are often promoted within the SEs and other third sector organizations. In Chiloé, while there is a low level of engagement of people with higher educational skills due to the islands' existing collateral marginalization, the sharing of life experiences among similar organizations is the most usual practice. Generation of cultural capital benefits those engaged within their particular organizations, and their contributions lead to improvements in general community development.

The inclusion of diverse stakeholders in SEs allowed a blending of skills that benefits personal and community development. In Chiloé, traditional third sector organizations commonly have uniform memberships. In contrast, SEs value structures that are more inclusive, modern and diverse. Furthermore, the recent integration of women and younger people has brought important benefits to their organizations. On the islands of Maine, it is more common to find heterogeneous structures because of amenity migration processes. However, heterogeneous organizations, while important and valuable to some regions, might be less meaningful to other countries (Krishna & Shrader, 1999). From an economic perspective, heterogeneity[66] in group membership is confirmed to be of great importance (Stolle as cited by Stone, 2001). But according to Stone (2001) heterogeneity within a group or network can also "influence the levels of trust

[66]According to Costa & Kahn (2003) heterogeneity may be measured in several ways, including race, ethnicity, income, educational or work experiences, and religion.

within networks, the extent to which trust of familiars translates into generalized trust of strangers, and the extent to which norms within networks are shared."

Although amenity migration can increase marginalization through process of gentrification, amenity migration can also bring positive change. According to Krannich & Petrzelka (2003, p. 194) in-migration stimulates population growth, which has the potential to generate the critical mass of residents needed to reinvigorate or even create churches, civic organizations, and interest groups that are often moribund if not entirely absent in many rural areas. Gosnell and Abrams (2011), state that in-migrants have the potential to alter local populations by enhancing the community's human capital. They represent "a highly educated and politically active class of people, they have the potential to improve their adopted locales through the mobilization of unique skills and abilities and new forms of capital" (Gosnell and Abrams, 2011, p. 10). Furthermore, Baldacchino *et al.* (2008) note that opportunity, motivation and skills are three key ingredients for entrepreneurial success. According to Krannich & Petrzelka (2003, p. 194), "The arrival of new residents can substantially enhance the human capital of many rural areas, as in-migrants bring occupational, organizational, and leadership experiences, skills, and talents to their new communities."

It was previously acknowledged that access to infrastructure services allows for exchange and integration among communities. At the same time, economic revitalization is enabled by access to infrastructures. However, infrastructure services development requires large investments. Infrastructure, according to participants, includes services that are not particular to a business

need, but help meet overall needs of residents and the community's economy. Furthermore when compared to mainland's, investments required to build up infrastructure on islands will often be greater because of the limited populations and resources, plus socio-spatial marginal status. High cost projects on Maine Islands are supported through community efforts let by SEs, even when the goal to maintain daily services normally paid for by governments. This requires community members to work together, through relationships of trust.

SEs studied embodied features such as trust, civic spirit, goodwill, reciprocity, mutuality, shared commitment, solidarity and co-operation which, according to Duff et al. (2011), are characteristics of social capital. According to Fukuyama (1995, p. 10) social capital generates trusting relationships that in turn produces more social capital, represented by the ability of people to work together for common purposes in groups and organizations. While physical and human capital, tools and training enhance individual productivity, social capital enhances the benefits of an investment in physical and human capital (Putman, 1993). Social Capital therefore is seen as crucial in the making of sustainable communities (Hulgard & Spear, 2006 p. 86). SEs help to institutionalize principles of sustainable development because participants are interested in the good of the community. They also help balance the community and its economy.

Trust is essential for organizations having heterogeneous groups who share a common goal. It strengthens the organizations' abilities for the 'bridging and bonding' so important for islands. Since most islands are detached from the mainland, and to some extent are isolated geographically and/or social-politically,

interactions, networking and alliances with the outer world are essential to their economies. According to Fukuyama (1995) the generation of social capital is essential for the efficient functioning of modern economies; in this sense social capital is viewed as a cultural component of modern economies. It was found that SEs in Maine and Chiloé induce bonding and bridging, facilitate political participation, and advocate for community interest.

Wynne, (2007) explains that on islands, close bonds facilitate survival in hard times and the developments of strategies beyond subsistence economies require the build-up of bridging ties. Hulgard & Spear (2006) explained that bonding social capital is not necessarily a policy issue; it is produced when people who share some basic identities interact in situations based on networks, norms and trust. Bonding refers to the voluntarism discourse (the micro-level interactions in strong networking). Bridging social capital involves the creation of 'bridges' between individuals and groups who are different. It is produced within social networks among people who previously might not even have known each other, but who come to share some institutional experience (Ibid., p. 87). It enables, "the possibility for co-ordination and social cohesion on the macro level based upon the existence of generalized trust" (Ibid., p. 88). Both forms of social capital (bonding and bridging) have important societal functions, but only when available in moderation. An excess of bonding can lead to over-insularity, while untrammelled bridging can result in a homogenization of distinctive socio-cultural features (Kilpatrick & Falk, 2003; Wynne, 2007; Pearce & Kay, 2003).

To succeed a SE must achieve a balance between its internal mission and its external outreach, and maintain its ethical capital. Otherwise, external influences could induce opportunism and mission drift. Internally, while SEs have built social capital, the lack of ethical capital may result in over-insularity. It is important to highlight that while all the SEs of Chile and Maine promote social capital, the key difference between them lies in their ethical capital, which is strong in Maine but is less prevalent in Chiloé. For the SEs of Maine, the main driving force for success was related to a strongly work ethic that prioritizes common good interests and the building of trust, rather than 'parochial interests' (Pastoriza *et al.,* 2009, p. 477). Ethical considerations take the interests of others into account in decision-making processes and behaviour. Ethics is about the other-regarding, rather than the self-regarding, thought and behaviour. It is commonly accepted that ethical work contexts are generated by positive administrative and social mechanisms. According to Bull *et al.* (2008), ethical capital constitutes the motivation behind executives' choice to work in a particular sector, and affects where people choose to engage. When SEs promote moral and ethical codes for other-regarding, rather than self-regarding, they build up greater capacity to be social mechanisms for change with a double or triple bottom line. Overall, the building of both social and ethical capital allows for improved efficiency, which is especially important for organizations located on islands, who have to compete like any other organization in the open market. SE furthermore allows for the reduction of costs, because the social enterprises are efficiently coordinating initiatives through collaborative efforts, by bridging and bonding.

It was clearly observed that SEs, were inclined to strive for triple bottom line aims. Islands with limited scope are often endangered by internal and external pressures to engage in development which, although crucial for islands communities, can vary in type and degree and often challenges aspects of well-being. Both Maine and Chiloé people showed strong attachment to their natural environments. Participants expressed a romantic or spiritual feeling towards nature. In this panorama, the social enterprises are empowering community organizations in management processes concerning their communities. The collective efforts of some rural SEs have allowed people to actively protest environmental degradation caused by current types of development. Their efforts aim at the conservation of the community's traditional qualities. There are organizations monitoring imbalances between external pressures and island ecosystems. Mitigation efforts include the integration and promotion (through education) of sustainable practices. Aspects of healthy nutrition or environmental consciousness produced by these dynamic organizations result in positive impacts for the general island population.

Accounts of the SEs of Maine and Chile clearly show some similar outcomes, often related to the ingenuity of capacity building strategies in remote island communities. Other similarities are the impacts that mitigate or overcome political and economic structures in which marginality is rooted. Their differences attest to the particular social, political, economic and historical contexts of the islands. But overall, peoples' experiences are that SEs have provided important

aids for people facing aspects of marginalization related to the remoteness of island communities.

Chapter Seven: The Social Economy from an Island Perspective

SEs on Maine, when compared to the SEs found in Chile, served more limited populations but were engaged in a wider range of services. SEs in Maine can be also perceived, as described by Pearce & Kay (2003), as Community SEs. In Maine the concept “social enterprise” was better known or comprehended than in Chile. When looking at the geographic scope of SE development on the Chiloé islands and in Maine it is clear that the overall impacts on the Chiloé islands were more limited in number, and less beneficial in terms of networking, especially with the private sector. In Chiloé social enterprise is a new concept, although many people are somewhat familiar with co-ops. In Chiloé, there is also no reliable statistical information on the number of SEs, nor is there a policy framework to encourage development in this sector. Although some socio- historical contexts explain the underdevelopment of SEs in Chile, results of this study suggest the importance of formal i.e. government recognition of the SEs, which might help popularize the concept.

Because marginalization is a concept and event that is not static but “dynamic” (IGU, 2003), SEs offer the potential for strategies of innovation. EPSON (2010) declares that the challenge for insular space is to exploit the constantly changing global environment, and to make use of the characteristics of insularity as advantages rather than disadvantages. Müller-Böker *et al.,* (2004, p. 252) describe that while negative instances of marginalization allow for innovative areas of development, nevertheless attention must be given to the human needs

of those facing social and spatial marginalization. Pearce & Kay (2003, p. 85) express that development, "starts with the community as it is and how the people perceive their situation, their needs and the problem they face…for them, 'development' is what they want to see happen and what accords with their perceptions of what should and can be done". Furthermore, Pearce & Kay (2003) suggest that "energy and happenstance[67]" which characterize small remote communities are crucial for development processes. This study of SEs in Maine and Chile revealed interesting strategies to promote co-operation, to shed light on spaces where people can overcome aspects of marginalization, and to empower participation in decision making processes concerning their communities.

In contrast to Chiloé, the increasing interest in the social enterprise in the United States, has led to the recent policy implementation in 2008 for the support of SEs through the "Low-profit limited liability company" (LC3). This, according to Doeringer (2010), could be an important piece of social-enterprise reform in the region. However the value of the L3C will be only realized if government policies stimulate what Doeringer (2010) refers to as the "the pillars for SEs" or the "policy, capital support and public awareness" which, according to the author, have the potential to leverage billions of dollars of community investment.

On remote islands, population size remains one of the main challenges for SEs. While SEs differs from other traditional non-profits by the generation of revenue through their commercial activities, they also continue to rely on other

[67]Energy because in small communities it generally takes an enormous amount of energy and hard work on the part of the local people to keep going to undertake new plans and projects, and happenstance refers to the chance that brings the young generation to engage in family business activities and so on.

forms of funding in order to achieve sustainability. The Department of Trade and Industry strategy for social enterprise (cited in Pearce & Kay, 2003, p. 36) recognizes "that some of the social cost of the business will always be too great to permit the business to generate sufficient surpluses, unless those costs are paid for, at least in part, by some other means", be this grants, revenue subsidies, unpaid labour, fundraising, etc. "Most community-based SEs are very fragile and would immediately collapse if the grant underpinning them were removed" (Pearce & Kay, 2003, p. 71). When looking at the islands of Maine and Chile, it was clear that other forms of capital (financial, human, environmental, and cultural) will always be necessary. The outcomes nevertheless show that while they might have some extent of dependence on public funding and donations, their contributions are rich and worthy of investment. In this regard, Pearce & Kay (2003, p. 37) suggested that SEs should not be criticized by whether they are businesses 'like any other 'but by whether they are successful SEs, effectively meeting their objectives to benefit society, and have financial sustainability. According to the authors "SEs, should routinely recognize the need to report not just on social impacts, but also on environmental impacts, and not just on external impacts, but also on how they function internally as an organization." Therefore, accountability for SEs goes beyond the effects on immediate stakeholders to include effects on the wider community.[68] Legal frameworks and the dissemination of SE contributions are crucial, especially on islands.

[68]They also stated that while there exists a growing interest in social accounting and audit processes, to date the accountability practices of social enterprises have been characterized as "patchy".

Proper support (policy, capital support and public awareness) to SEs can enhance local support, and build bridges for the external collaboration that is essential for islands. Sakarya *et al.*'s (2012, p. 1718) findings on social transformation indicate that collaborations among SEs are instrumental for initiating social change, "social alliances embedded in subsistence contexts with high levels of inequality of opportunity tend to undertake micro scope projects, have cumulative lifetime effects on the recipient and primarily aim the cultural sphere" while "alliances projects at the micro-level may lead to incremental changes in the system and may reflect to mezzo and macro levels in the long run." It was further stated that in response to the existing global social issues, the need for cross-sector collaboration in the form of social alliances as well as firm/NGO partnerships aimed at the poor have increased over recent years (See Elkington et al. 2000; Sema *et al.,* 2012). Sakarya *et al*. (2012) proposed that, while corporate partners provide funds, social partners provide knowledge, expertise, organizational infrastructure and established social networks as complementary resources for co-generation of social value.

Baldacchino *et al.* (2008) suggest that "positive environments foster innovation and enterprise" From their view available resources, regulatory environments and state administrative frameworks constitute the key environmental elements for success. The author also express that "enterprises started by skilled and/or motivated individuals in unsupportive, low opportunity environments are likely to experience more difficulties and barriers to entry than those started in supportive, high opportunity environments." Furthermore, the

development of SEs worldwide as it relates to islands like Greece, Ireland and especially the United Kingdom—which is referred to as the region that has developed the most robust social enterprise sector in the European Union— can be studied to understand those key policy environments.

While recognition of SEs in government policies is essential for the development of the sector, strong collaboration and support from grass roots organizations is also important. When comparing the islands, for example, it was shown that in Chiloé, where marginalization is more extreme, there were fewer SEs in the remote areas. In both Maine and Chiloé it is in community grass roots organizations where co-operation for capacity building materializes. Therefore, it is in the hands of those constituting SEs to integrate stakeholders and develop managerial structures with strong social and ethical capital. In other words, "SEs must articulate their values and consider what message they should convey and the way they go about their daily business, their values should be made more explicit, and should be focused on 'walking their talk' " (Pearce & Kay, 2003, p. 147).

Where high levels of marginalization exist, the strengthening of social capital will be the main challenge. Putnam (1995, p. 70) suggested that "historical analysis on networks of organized reciprocity and civil solidarity, far from being an epiphenomenon of socioeconomic modernization, were a precondition to it." On the islands of Chiloé it was perceived from peoples' accounts that, while participation in these rural areas has increased, their effectiveness has nevertheless decreased, and modern economic processes have encourage

individualistic practices that have eroded traditional forms of mutual co-operation. However, it was also observed that while limited in number, key success related to the SEs were linked to the building of trust among members and the organization, willingness for collaboration, stronger commitment and inclusiveness. For these communities, their main goal will be the generation of social and cultural capital. Evers in Nyssens (2007, p. 10) explained that the production and mobilization of social capital can be goals in themselves and not only tools/instruments for achieving other objectives. From this accounts (Ibid.) it is revealed that SEs comprise a complex mixture of goals: those connected to particular social missions to benefit community; those economical link to the SEs entrepreneurial nature; and those that involved socio-political action.

> The pursuit of a 'social capital goal' by SEs may translate not only into a will to co-operate with economic, social and political actors through the development of various networks but also into the implementation of democratic decision-making processes, in specific working conditions (flat hierarchy, workers' participation, trusting atmosphere, etc.), or in the promotion of volunteering (Davister in Evers in Nyssens, 2007, p. 10).

The experience of the SEs of the islands of Maine can serve as an example of the generation of social and ethical capital (networks, norms and trust that facilitate co-ordination and co-operation) and the related outcomes. While islands of Maine and Chiloé experience particular contexts, they face similar realities as well. It was referred to by Putman (1995, p. 136) that trust and generalized reciprocity can help reduce opportunism and corruption in public institutions, because “when economic and political negotiations are embedded in dense

networks, of social interaction, incentives for opportunism are reduced." Pearce & Kay (2003, 147) also refer to "social capital, which SEs can use to strengthen their place and influence in society." Putman (1995) concluded that strong civic engagement and social connectedness produce "multiple and complex" results, i.e. better schools, faster economic development, lower crime, and more effective government. It is the responsibility of existing SEs that lack supportive legal frameworks, and recognition, and face strong levels of marginalization, to support the dissemination of the values of SEs from the bottom up.

Limitations

For the present research, the lack of consistent definitions of SEs in the United States and Chile represented a constraint for the study. This was especially true in Chiloé. There also exists contrasting approaches for the study of SEs that hindered the development of the study approach. Limitations in existing public data were particularly related to the islands' collateral and/or systemic marginalization. In Maine, limitations were related to the islands' geographic accessibility, while on the islands of Chile, accessibility along with other, systemic aspects of marginalization (i.e. limited communication, and transportation infrastructure, and accommodation) constrained the study. The islands' historical, political and economic contexts, while time consuming to research, were essential to identify in order to better understand the evolution of

SEs. The present work also required many interviews and a narrative analysis which, while essential, was very time consuming.

Future Research on SEs on Islands

The present research, using a narrative approach, proved effective for recording peoples experiences with SEs, especially as it relates to fragmented spaces where collateral and systemic marginalization exist. The narratives were a great tool to collect accounts of peoples' specific experiences with the social enterprise sector. Islands and especially archipelagic islands, offer an interesting setting to explore the various effects of SEs within communities, and in relation to other sectors of the economy. Islands cover 7% of the Earth's land surface, and one fourth of the world's states are island archipelagos. Although the present research does not comprehensively reflect the islands of the world, the comparative study of Maine and Chiloé provides some insights into the emergence of SEs in developed and developing nations where experiences of marginalization exist. The present research also reveals opportunities that exist to integrate and expand upon information from various disciplines to strengthen the interdisciplinary study of islands, and develop a more holistic approach to islands and islandness. This study of SEs was attentive to the particular contexts of each island. Future research could introduce more quantitative data to help to characterize the environments in which SEs are embedded, so that policy and

community environments can be developed to better support the sustainability of SEs, and capacity building for self-governance in island communities.

Conclusion

It has been said that SEs emerge and develop according to a region's particular context. In Maine and Chiloé SEs have appeared in response to the islands' particular contexts and geographical realities. SEs in both study sites have positive impacts that cover a wide range of aspects of well-being (social-economic, political and cultural). People's experiences with SEs revealed the integration of social and cultural dimensions. Overall, the emerging sector has helped ameliorate some of the islands' socio-spatial marginal status, improving personal and community wellbeing.

In both Maine and Chile, there were positive outcomes on contingent marginalization. However, in Chiloé there exist greater imbalances, and competitive inequalities. The realities of islandness are exacerbated by exogenous hegemony and pressures of systemic marginalization that positions the remote islands in a state of collateral marginalization. From an island perspective, this shows that although islands may share collateral marginalization, those islands of indigenous people in colonized regions are more susceptible to both competitive and hegemonic inequality. In Mehretu *et al.* (2000, p. 92) systemic marginality, when compared to contingent marginality, "is neither random nor self-inflicted. It is a product of social constructions of stereotypes that

uses both mutable and indelible markers like culture, ethnicity, immigration status, gender and age to exclude and marginalize." Observations clearly revealed evidence of this in the south. In Maine, islands presented a vulnerability to marginalization particularly related to the *in-situ* marginalization. In this case contingent *in-situ* marginalization, occurred as a result of the gentrification processes; the easy access to mobility and the restructuring of rural Maine.

Accounts of how SEs reduce marginalization showed a series of impacts beyond generation of profits and revenues. It was reported that vulnerability to contingent marginalization occurred in communities that have low capacities to negotiate because of their unattractive locations, cultural restrictions, inadequate labour skills, lack of information systems and limited communication. Furthermore, islands having a strong level of insularity generally presented lower levels of development because of their political and cultural peripherality. Outcomes of SEs on particular islands provided people with a wide range of innovative responses in terms of improving proximity and access to services. SEs in this sense were successfully stimulating innovative local responses to social exclusion. They often mitigated and responded to aspects of marginalization, but also integrated within their missions and activities aspects that are crucial to island communities' quality of life: the local values, territorial dimensions, natural environments and particular cultural identities that improve overall population health.

Although islands are vulnerable to marginalization, they are multi–faceted and usually have opportunities to turn insularity and remoteness into potential

advantages for development. Island characteristics which augment vulnerabilities may also stimulate emergence of coping mechanisms (Kelman, 2007). (i.e. “strength through adversity”) Baldacchino *et al.* (2008, p. 75) stated that “citizens of small islands would be expected to generate and accept new ideas to compensate for lack of natural resources and to overcome the other drawbacks of living and operating on a small island.” In such cases, SEs reflects the generation of new ideas. For example, through social entrepreneurship citizens of small insular areas have generated new ideas in the field of social services. “They have a special role as pioneers of new ideas that fill gaps, co-operate with public authorities or even take a para-state role as providers” (Evers & Laville, 2004, p. 237).

Islands, according to Baldacchino (2007), are considered especially challenged in terms of accessibility. On the islands of Maine and Chile major impacts of SEs have been to lessen the existing lack of development through the provision and implementation of infrastructure services. Through the generation of added value SEs responded to people needs while also having important changing impacts on people’s livelihoods and enhancing communality, sustainability and resilience.

Spilanis *et al.* (2012, p. 200) introduce Farrinton’s “new narrative of accessibility,” echoing Moseley’s conceptualization of accessibility as “the degree to which something is ‘get-at-able’: This conceptualization is more far-reaching than that of mobility or transport. ‘get-at-ableness’ is defined as “the ability of people to reach and take part in activities normal for that society” offering “a

potentially powerful level in the achievement of greater social inclusion, social justice and sustainability" (Farrington, 2007, p. 320). People reported that, along with community sustainability, they attained social inclusion and social justice because SEs provided income through employment to vulnerable groups with different socio economic backgrounds, and helped people build new capacities (social, cultural, ethical and human capital) and/or participate in community development. Through the SEs, people banded together and social relations were revitalized. The generation of social and ethical capital on the various islands represented a cultural component essential for islands to succeed in modern economies. This is because, as observed by The Department of Trade and industry for Social Enterprises (cited in Pearce & Key, 2003, p. 36), social enterprises will always incur greater costs, therefore they required a mix of resources in order to survive.

Islanders' resourcefulness to develop and fund their operations usually must extend beyond revenue generation through commercial operations. Future challenges for the SEs of Maine and Chile include how to induce government to put in place the policy frameworks that can support 'The pillars for SEs' on islands. Because "territorial strategies that are implied by a global vision of 'Islands' as a unique object of research and political action clearly require the adoption of appropriate policies taking insularity as a whole concept" (EPSON, 2009, p. 12).

SEs furthermore involve higher levels of economic risk. The social enterprises' principal aim is to generate levels of trust and connect communities, which can be of significant importance for community development. The

generation of capital (be this financial, human, environmental, cultural, social or ethical) for the SE will always be necessary. Especially where SEs are found to be bridging and bonding, they are building levels of trust, willingness to collaborate, strong commitment and inclusiveness, which can help with the effectiveness of organizations and their preparedness to meet their social mission and to better compete in the market.

Alesina and La Ferrara (2000) point out that face to face interactions to build social capital are possible when people live in the same community or travel from afar to meet, but collaboration becomes easier when groups speak the same language. SEs can help bring together communities around shared visions, and break down barriers that might exist, because they are located in an intermediate space (Evers & Laville, 2004), at the crossroads of market, public policies and civil society where “the dynamic of institutionalization can lead to the development of innovative public schemes and at the same time to a movement of ‘isomorphism’ of the part of SEs, towards public organizations or for-profit enterprises” (ibid.). The ethical practices of grass roots enterprises can help community organizations to achieve community goals to sustain their mission to stimulate the building of capabilities, and to meet socio-political aims, because SEs are rooted in local, democratic decision making processes.

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Appendix A: research questions

Appendix B: Selected methodology

There is a particular focus in this research on islandness, isolation and insularity. For this research participants were selected from islands not physically connected to the mainland. In this case the islands selected at both research sites are not physically connected to the mainland and it was further acknowledged during the field work, that some islands were more distant than others from the mainland. Participants' own experiences formed the unit of analysis for this research. As stated in the literature, this narrative approach gives people the opportunity to share their experiences, and is especially important for understanding the lives of those living in geographically remote islands.

In the field, surveys and in-depth semi-structured interviews were the main mode of data collection. The approach which was selected for the interviews on both sites corresponded to the islands' particular context. In Maine a survey and semi-structured interview constituted the mode of data collection for the narratives. In Chiloe only a semi-structured interview was performed. In the field work the most effective and accepted tool was the semi-structured interview. The interviews were performed in the winter and the fall, since it was the best time to meet with people. This choice was based on secondary data and experience from previous research, because on cold islands most of their income is generated in busy summer months. The number of interviews were determined by whether or not additional interviews were providing new explanations for the themes that emerged during the research. The initial goal was to do up to 20 individual

interviews; 10 for the islands of Maine and 10 for the islands of Chiloe. The number of interviews in the field work changed (see below) based on the number of islands it was feasible to reach, and the types of social enterprises established on these islands.

As mentioned previously, the narratives looked more precisely at how local social enterprises have socially, culturally, economically and ecologically impacted people on these islands, which at one point or another, have suffered from marginalization. The research instrument included questions about whether and how the quality of life of permanent island residents changed after they became involved with a local social enterprise (Appendix A). For this study there was a particular interest in knowing how the participants' experiences or accounts varied from one island to another. Rather than imposing some universal definitions using statistical data, and/or rigid frameworks, this research allowed people to define what SEs, marginalization and quality of life mean to them. This type of methodology is especially important for people that are, in this case, living on small islands that have different socio-historical contexts and are geographically insular.

The researcher only included participants' information related to the researcher's purpose. Other personal or sensitive information mentioned during the interview was removed from the study. The role of the researcher was to guide the interviews, listen, observe and record people's stories, and transcribe and analyze the data to construct their information.

The criteria for selecting participants included their locations, but also their social and economic engagement. Original criteria for selecting participants was based on secondary data. For this study there was not a singular structural-functional definition or approach. This approach considers and recognizes the distinctiveness of different forms of social enterprises as observed by Young & Lecy (2012). In both cases, reference to the islands' particular social, political and economic context, as well as the theoretically contested definitions and approaches (European Approach and American Approach) for the study of SEs shed light on and helped to identify potential SEs. Nonetheless, in order to define a social enterprise, both theoretical definitions and participants' own meanings were considered to select Social Enterprises as case studies. In Maine, for-profit and non-profit organizations were drawn from to participate in the study. In Chiloe those of the traditional non-profit form, which includes coops and associations, were included in the research. In both sites key informants represented the most cost-effective avenue to identify and contact organizations. Due to Chiloe's' particular context , and according to published information from the Pontifical Catholic University of Chile (2012), interviews with government agencies were important to identify potential SEs, and to generate a contextual overview of the environment of the sites and their organizations' current realities. The Pontifical Catholic University of Chile (2012) stated, as highlighted in Chapter four, (Social Enterprises Contested Differences), that in Chiloe not all organizations (associations, community and indigenous organizations) have a dependent economic character. They often generate resources from both outside and

market activities to achieve social aims. The following table provides a list of interviews and participants selected for the study.

Participants, Maine. Total N=21

ISLAND NAME	Business type	Num.	Sex	Category
Monhegan				
Monhegan Associates, Inc.	Under section 501(c)(3) of the Internal Revenue Code.	3*	f & m	Year round resident
MISCA	Tax deductible 501(c)(3) organization	2*	f & m	Year round resident
The Monhegan Island Farm Project	Operates under the church but as SE	1*	f	Year round resident
North Haven				
North Haven Arts & Enrichment Center	501(c)(3) non-profit organization	1	f	Year round resident
Turner Farm	Corporation	1	m	Year round resident
Vinalhaven				
The Vinalhaven Chamber of Commerce	501(c)(3) non-profit organization	1	f	Year round resident
The ARC	Registered 501(c)(3) non-profit	1	m	Year round resident
Islands Community Medical Services, Inc.	501 (C)(3).Contributions to ICMS are tax exempt. Health Center is a Program grantee under 42 U.S.C. 254b, and a deemed Public Health Service employer under 42 U.S.C. 233(g)-(n).	1	f	Year round resident
Vinalhaven Historical Society	501(c)(3) non-profit organization	1	m	Year round resident
Union Church of Vinalhaven	501(c)(3) non-profit organization	1	m	Unknown
Vinalhaven Land Trust	501(c)(3) non-profit organization	1	m	Year round resident
Vinalhaven Eldercare Services	501(c)(3) non-profit organization	1	f	Year round resident
Go Fish	Sole proprietorship	1	f	Year round resident
Tidewater Motel & Gathering Place	Corporation	1	m	Year round resident
Vinalhaven School	501(c)(3) non-profit organization	1	m	Mainland Resident
Organic Farmer	Sole proprietorship	1	f	Year round resident
Fishermen's cooperative	Co-op	2	m	Year round resident
Fox Island Electric coop	Utility Cooperative	1	f	Mainland Resident

*Participants in Monhegan were engage in various organizations. Note: Some participants were born on the island, others moved to the island as summer residents and became year round residents.

Participants, Chiloé. Total N=23

ISLAND NAME	Business type	Num.	Sex	Category
Isla Grande				
Rayen Kuyen participant, Weketrumao, Quellón	Indigenous org.	1	f	Indigenous resident of rural Quellón
ICHCP, Chonchi	Indigenous org.	1	m	Indigenous resident of rural Castro, operating in rural Chonchi,
Workers Co-operative Punta Chilén	Workers Co-op	1	f	Indigenous resident of rural Ancud
Fishermen's Union Molulco	Syndicate	2	f	Indigenous resident of rural Quellón
Lemuy				
Wool weaving and baskets	Community Group	1	f	Indigenous resident of rural Puqueldón
Co-operative Lemuy Limitada	Syndicate	1	m	Indigenous resident in rural Puqueldón
Quinchao				
Fishermen's Union Llingua	Syndicate	1	m	Indigenous resident of Llingua, rural Quinchao
Fishermen's Union Quenac	Syndicate	1	m	Indigenous resident of Quenac, rural Quinchao
Fishermen's Union Meulín	Syndicate	1	m	Indigenous resident of Meulín, rural Quinchao
The Tourism Committee Cahuach	Committee Org.	1	f	Indigenous resident of Cahuach, rural Quinchao
Artisans Group				
Wool weaving Achao	Community Group. Most participants born on Quinchao. A mix of indigenous and non-indigenous identity, from rural and urban areas.	1	f	Migrant from the Mainland, residing in Achao.
Basket weavers Llingua	Community Group	3	f	Indigenous and non-indigenous residents of Llingua, rural Quinchao
Wool weaving and basket W. Apiao	Community Group	1	f	Indigenous resident of Apiao, rural Quinchao
Cooperatives				
Co-operaiva campesina Putique L.	Co-op	1	m	Indigenous resident of Putique, rural Quinchao.
Commetee 12 rouses	Committee Org.	2	f	Indigenous resident of rural Curaco of Vélez
Govermental Entities				
PRODESAL Curaco de Vélez	Gov. Agency	1	m	Unknown
PRODESAL Castro	Gov. Agency	1	m	Unknown
Productive Development & INDAP Achao	Gov. Agency	2	f, m	Unknown